

## THE TIMES

# SAS storm embassy, rescue 19 hostages and kill three gunmen

The siege at the Iranian Embassy was ended last night when a team from the Special Air Service Regiment stormed the embassy and rescued the surviving 19 hostages. The three Britons, including Police Constable Trevor Locke were

saved. Three of the Iranian gunmen died in the attack, one was injured and another captured outside the embassy. Explosions rocked the building and the crackle of gunfire reverberated as police moved in behind the soldiers.

## Two are shot dead as negotiations break down

By Stewart Tindall,  
David Nicholson-Lord,  
John Winterton and  
Nicholas Timmins

A team from the Special Air Service Regiment stormed the Iranian Embassy in London last night under cover of explosions and rescued the surviving 19 hostages held by Iranian gunmen. Two other hostages had been shot dead earlier in the day.

Three of the gunmen died in the SAS attack; one was injured, and another captured outside the embassy.

The three Britons held by the Iranian gunmen, including PC Trevor Locke, the embassy police guard, were among the hostages who staggered from the building as smoke and flames enveloped it and automatic gunfire echoed in the street.

Ninety minutes after the siege had been lifted, Mr William Whitelaw, the Home Secretary, said he had ordered the SAS to strike after talking to Sir David McNee, the Commissioner of the Metropolitan police.

Mr Whitelaw said: "The operation, and I think the people of this country and many in the world will think so too, was an outstanding success, and it showed we in Britain are not prepared to tolerate terrorism in our capital city."

The attack by the SAS, whose men are specially trained as a weapon of last resort in such situations, came on a day which started with police optimism which later turned to extreme pessimism for the safety of the hostages. Negotiations began in the morning, then around 2 pm it appears that things went seriously wrong.

While the negotiator was on the field telephone talking to the embassy, a number of shots were heard, and these later turned out to be the executions of two of the hostages.

Deputy Assistant John Delaney, the officer in charge of the police operation, said later the atmosphere in the embassy had changed "by way of suggestions of instability and irritation".

It is likely the police learned of war through the sophisticated microphones and miniaturized television cameras which they got close to the embassy during the six days of the siege.

During the afternoon Arab Ambassadors met Mr Douglas Hurd, Minister of State at the Foreign Office, to discuss the Iranian demands made on Saturday that they should intervene as mediators with the British Government. At Princes Gate, the police were attempting to discover the significance of the gunshots they had heard.

To try and placate the gunmen, Sir David, who was at the scene most of the day, wrote a letter to them which was put through the letterbox at the embassy. In the letter Sir David



One of the British hostages, Mr Sim Harris, a BBC sound recordist, scrambling to safety as flames billow from a window

explained his policy and the position of the police. "I am responsible for preserving the peace and enforcing the law in London and I do this independently of politicians and the Government and my officers deeply wish to work towards a peaceful solution of what has occurred", he wrote to them.

In the three-paragraph letter he urged the hostages and their captors not to feel threatened or frightened. He said: "It is not our way in Britain to resort to violence against those who are peaceful. You have nothing to fear from my officers providing you do not harm those in your care. I firmly hope we can now bring this incident to a close peacefully."

At 5.55 pm the questions surrounding the shots were answered when the body of a man was pushed out of the front door of the embassy. As police marksmen moved into the open for the first time, carrying rifles and automatic weapons,

two of their colleagues placed the body on a stretcher, put a red blanket over it, and carried it away.

Twenty minutes later, as tension mounted, three explosions shattered the silence and the SAS team was in action in the five-storey building. The police refused last night to say how many were involved.

As smoke and flames rose from the embassy the crackle of gunfire reverberated. Dozens of police officers moved in behind the soldiers.

At the back of the building a cloud of teargas rose and some officers advanced wearing gas masks.

As the sound of the explosions died away a white flag appeared first at one window, and then at another. Slowly the gunfire subsided and the hostages, men and women, were ushered from the building, many of them leaning against police officers for support.

They were taken to St Stephen's Hospital, Fulham, where special medical facilities had stood by since the siege began at 11.30am last Wednesday.

The other arrivals seemed to be Iranian, many of them pale and clearly shaken by their experience.

On the stretcher cases one was brought in with a blanket half over his face. At least two others appeared to be unconscious.

One of the walking cases may have been one of the gunmen. Almost covered by a red blanket but with army boots and puttees showing beneath it, he almost ran into the hospital casualty department, as police hustled him past photographers.

One of the Iranian men, looking grey and shaken, raised his right hand in a gesture of defiance as he entered the hospital.

The casualty department entrance was ringed by pale, right-lipped policemen.

One of the stretcher cases was a young, trouserless, man with streaks of blood on his legs.

Continued on page 4, col 4

## Roman Catholic pastoral congress demands new look at sex teaching

From Clifford Longley  
Liverpool

The reexamination and fresh development of Roman Catholic official teaching on sex particularly contraception, emerged as a strong priority from the National Pastoral Congress meeting in Liverpool yesterday.

The traditional Roman Catholic view that artificial birth control is wrong found few friends and the congress was unambiguous in demanding another look at the matter.

The issue, by far the most awkward on the whole congress agenda, was handled coolly and directly in the section dealing with marriage. Four propositions were put, each a successively stronger statement of the position against the present teaching, to test the strength of feeling.

There was overwhelming support for an extensive re-appraisal of the teaching, with four of five delegates agreeing to a motion that that should "leave open the possibility of change and development".

About the same proportion agreed that there was a "need" for development and delegates seemed about equally divided on whether that necessarily meant a "change".

The gradation of feeling represented by the shift from "development" to "change and development" was illuminated further when motions virtually reasserting traditional teaching were proposed.

A motion maintaining that non-contraceptive sexual intercourse was the ideal for which every married couple should strive received only a handful of votes; a motion calling on couples to practise sexual abstinence as the proper way of regulating family size received the support of no more than about 10 per cent.

Bishops and clergy took part in the proceedings and Cardinal Hume listened to part of the discussion, which included forceful statements from lay

## Tito's widow returns from obscurity to pay final tribute

From Dessa Trevisan

Mrs. Jovanka Broz, the widow of President Tito, made a dramatic appearance by her husband's coffin today—her first public appearance in almost three years.

The wife of President Tito, Jovanka Broz, a state television announcer intoned as Mrs Broz, dressed in black, stood silently crying at his flag-draped bier inside a marbled parliament hall.

She stood next to Zarko and Milica, the sons of President Tito's previous marriages, receiving condolences from leading Yugoslav figures. She was somewhat forlorn and lonely as though she was not quite one of the family although she was the first to bow to the coffin to lay the wreath and to stand in silence for a minute.

Mrs Broz seemed to have been dropped from all official functions and no mention has been made of her until this afternoon.

Whether they were reconciled or whether they were ever formally estranged remains a mystery. But the fact that Mrs Broz attended the ceremony today suggests that the authorities for the first time there have been for excluding her from the limelight are aware of public feeling and the questions being asked about the woman who was at President Tito's side for 25 years.

The message was given by the Soviet Communist Party and government in a message of condolence to the Yugoslav party and government. All the agreements reached during President Tito's lifetime on relations between the two countries would be strictly observed, it said.

The message praised President Tito falsely, glossing over the bitter feud caused by his break with Stalin in 1948.

"The Soviet people share the grief of the Yugoslav people."

Soviet message, page 7

## How Lazard cashed in on new chief at British Steel

By Frank Vogl  
US Economics Correspondent  
Washington, May 5

Mr Disque Dean, a Lazard Frères partner, once joked about the high compensation he and his partners receive and told *Fortune* magazine that his bank was "the biggest racket on Wall Street".

The British Steel Corporation has appointed Mr Ian MacGregor as its new chairman, and the partners in Lazard Frères and in Russell Reynolds are laughing all the way to the bank.

Russell Reynolds, a top employment agency with offices across the United States and in London and Paris, was asked by the British Government last October to recruit a new BSC chief. It found Mr MacGregor and played a key role in negotiating his employment terms.

Mr Thomas Wise of Lazard left no doubt it had the British Government in a corner and considered it only right to press for as much cash as possible. "Do not overlook the fact that the British Government has been on a worldwide recruitment drive. They have been looking everywhere," British Steel's losses are tremendous," he said.

He implied that Lazard would suffer without the services of Mr MacGregor. Top United States corporate executives could expect to earn more than \$1m a year, and Mr MacGregor would receive no more than a modest share of the British payment to the firm. This share represented his limited partnership entitlement in Lazard. "There are no special deals of any kind with Mr. MacGregor. He has not been here long enough to qualify for a pension. The money flows into the general coffers of the partnership", he said.

The way to look at this deal was in Hollywood terms. After all, if Robert Redford was under contract to MGM studios, and Columbia Pictures wanted Mr Redford for a film, Colombia would have to pay MGM.

Russell Reynolds also stands to make a handsome profit on the deal.

"Generally the employer gives us one-third of the first year's compensation of the executive we recruit," one of the partners said of its commission.

But he did not know the details of this arrangement, although he would not have been surprised if Russell Reynolds received some of the fee to Lazard Frères in New York.

Lazard is being paid \$675,000 for losing the services of Mr MacGregor for three years and it will set as much as \$1.15m in addition if Mr MacGregor performs well.

Lazard deals in the extraordinary and so this is merely another of a long string of sensational transactions in the company's 100 years of operation in New York.

It is a secretive, small and highly opportunistic bank. It likes to think of itself as a financial engineer, able to fix highly complicated and highly remunerative takeover bids and mergers.

Continued on page 15, col 3

## Iran hands over remains of US dead

Tehran, May 5.—The bodies of the eight American servicemen who died in the attempt to rescue the hostages in Iran were handed over today to a Greek Catholic Archbishop who said he would take them on a flight to Switzerland tomorrow for transfer to the United States.

The bodies were handed over to Archbishop Silvano Capucci, who was accompanied by Mr Eric Lang, the Swiss Ambassador, and the papal representative in Iran, Monsignor Annibale Bugnini.

The archbishop said he would fly with the bodies to Switzerland where he would turn the remains over to the International Red Cross for transfer to the families in the United States.

A Tehran radio broadcast said earlier that the archbishop would deliver the bodies to the Vatican. There was no explanation for the change in plans. However, Mr Capucci has not been authorized to act for the Vatican.

The archbishop expressed gratitude to Ayatollah Khomeini for Iran's "humanitarian" in handing over the bodies.

The Americans were killed when a helicopter and transport plane collided on the ground.

The Iranian Army announced tonight that they had discovered the one remaining missing helicopter left by American commandos in the southern Iranian desert during the failed rescue mission.

The Armed Forces joint chiefs of staff said in a statement read on state radio that the helicopter was found in a remote location in the south of Kerman province, about 125 miles north of the Oman Sea. The ill-fated military operation intended to free the American hostages from the United States Embassy in Tehran was launched from the town of Qom on April 24.—UPI

## US prime rates fall another 1%

Morgan Guaranty Trust cut the rate it charges its most creditworthy customers by 1 per cent to 17.1 per cent and other banks cut prime rates by 18 per cent. The latest falls leave the Federal Reserve Board with a crucial decision: if the money policies are maintained or even tightened the 1980 recession will bite hard; if policies are eased there could be a currency crisis. The lowering of interest rates also forced the dollar down.

Continued on page 15

Coloureds to have say

Changes in South Africa's political structure are to be announced giving Coloureds and Indians some say in the running of the country. The proposed constitutional changes will turn the remaining hand of Mr Pieter Botha, the Prime Minister, against conservative elements in his party.

Continued on page 7

London transport cuts

London is threatened with cuts in its public transport because of the financial crisis facing the London Transport Executive. Bus services to outlying suburbs may have to be reduced and Underground stations closed.

Continued on page 4

EEC ministers meet

European Community agriculture and foreign ministers held their first meetings in Brussels today since Mrs Margaret Thatcher's rejection of the offer made last week by the eight other member states to reduce Britain's contribution to the Community budget.

Continued on page 6

## Make May 14 normal day, employers urged

The Confederation of British Industry called on employers to do all they could to encourage employees to turn up for work as usual on May 14. The TUC's "day of action" in protest against government policies was "unwise, wasteful and irrelevant", Sir John Greenborough, the president, said. Page 2

Pope's plea to Congo

The Pope, in Congo on the second stage of his African tour, asked the Government to allow the Church to operate in full freedom and promised that it would not endanger the state.

Continued on page 9

Thorburn takes title

Cliff Thorburn, of Canada, won the world snooker championship for the first time when he beat Alex Higgins, of Northern Ireland, in the final by 18 frames to 15.

Continued on page 9

Propaganda' criticized

Broadcasting experts criticized Mrs Thatcher's call for a "massive propaganda campaign of a kind we have never mounted yet" to influence public opinion in the Soviet Union.

Continued on page 2

Court fails: Mercenary leader executed after abortive Surinam coup

Athens: Mr Karanfilis elected President of Greece

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مدة من العمل 50

# Some moves on the football field could help you plan your next business trip.



The direct route is not necessarily the most efficient. A pass to the wing followed by an accurate centre may produce better results than a solo effort down the middle that ends in lost possession. Sometimes a backward flick may be the best way to set up a big move forward.

Naturally you are impatient of players who ignore these simple strategies. So make sure you do not forget them when planning your next business trip. Let Swissair put you in mid-field Europe in Zurich or

Geneva from where we will take you in superb comfort to your final destination - you have a choice of over 90 throughout the world.

London to South America is effectively served via Geneva. London to Peking via Zurich. You can even save valuable time. For example the fastest daily connection from Manchester to Istanbul is via Zurich. The Swissair network has indeed many benefits.

Your decision is clearly right from a tactical point of view. But there are even other advantages travelling via

Swiss airport.

Your half-time breather can always be extended to take an excursion into the salubrious mountain air. (From June 1st, the Swiss Federal Railways will operate direct from Zurich Airport Station, only ten minutes by train to the centre of Zurich).

Win or lose, you will have played the game well. Can we help you to your next goal?

**SWISSAIR**

## HOME NEWS

## London faces Beeching-style cuts in transport over crisis caused by 20% rail wage pact

By Michael Bolly  
Transport Correspondent

London is threatened by Beeching-style cuts in its public transport because of a financial crisis facing the London Transport Executive.

Buses may have to be heavily reduced or wholly withdrawn from some of the less densely populated areas in the suburbs such as Bromley, Kingston, Uxbridge, Harrow, Epping and Romford. Some of the least profitable extremities of the Underground may also have to be closed.

The immediate cause of the crisis is British Rail's 20 per cent wage agreement which London Transport sees little chance of bettering in negotiations with the same unions. A settlement of that order would plunge the executive into a £50m to £70m deficit over the next two years, even after the recent swinging 19 per cent fare rise.

A further increase in fares this summer seems inevitable; but there are ominous signs of passenger resistance after the latest one. Underground traffic, which has held up well through successive fare rises in the past few years, has dropped by 10 per cent on some services in recent weeks.

The scope for the summer is probably limited, therefore, to no more than 10 per cent, and even then only on selected services where the busless commuters are least likely to be driven away.

That will still leave a substantial shortfall for an organi-

zation which, having used up the last of its reserves to meet a record £31m loss last year, is like the Port of London, technically bankrupt and kept going only by the prospect of extra finance from central and local government.

Such a course presents grave difficulties, however, for the Tory administration at County Hall, which faces an election next spring and which has laid great emphasis on trying to bring LT under financial control.

Even before the crisis, it had reached the point of acrimonious public exchanges between Sir Horace Cutler, leader of the Greater London Council, and Mr Ralph Bennett, LT chairman.

The council provided LT with more than £160m last year: £60m for depreciation and renewal, £51m for fare relief, £28m for special capital investment, and £24m for free travel for pensioners.

Even if County Hall wanted to do a U-turn and sharply increased its subvention to LT, it would find it difficult to do so since the council, like LT itself, is under strict Government-imposed financial limits.

Apart from increased fares and grants, the other options are improved productivity and reduced services.

There is certainly scope for improved productivity over a period, as the controversial Chapman report emphasized last year, but LT faces stubborn union resistance to measures like extending one-man operation on the Underground.

Many of the potential productivity gains can be achieved only with new capital equipment; further extension of one-man operation on the Underground, for example, must largely await a new fleet of vehicles in 1984-85, which will then release 7,000 conductors or more than 10 per cent of the 60,000 work force.

For the time being, manpower shedding must be primarily in the somewhat limited areas of administration and overheads.

From the foregoing it is difficult to see how some cuts in services can be avoided, and from LT's point of view the obvious places to make them are in the outer suburbs, where traffic is thinner and fares are greatest.

Ironically, it is in those areas where streets are relatively uncultured and staff relatively available and amenable that the services are most satisfactory in every respect except the financial.

Ironically, too, the political complexion of the suburbs tends to be true blue, a further complication for politicians at County Hall.

Other possible options include the reduction of peak hour frequency on the Underground, an earlier evening shutdown, a raising of the child fare from 8p to 10p and a charge for the pensioners' free travel permit on the lines of British Rail's senior citizens' rail card.

## Cut in travel aid affects local arts

By Martin Huckerby  
Theatre Reporter

Many parts of England are being deprived, because of cuts in spending, of a scheme which aids people in more isolated areas to travel to arts events.

More than half of the regional arts associations in England have stopped their transport subsidy schemes because of financial difficulties.

For most of the associations it was a choice between cutting the subsidy for people travelling to arts events or cutting a

whole range of arts activities. As the Merseyside Arts Association put it: "The priority was to ensure that there were still arts for people to see."

Some associations felt that the scheme had been a worthwhile incentive, attracting bigger audiences for theatres, concerts and other events, but that now, given the high cost of tickets, an extra 40p or 50p on the cost of travel would not deter people from making a trip.

Several associations regretted having to stop the subsidy for arts events or cutting

## 'Big benefit cuts' under curbed Bill

By Pat Healy  
Social Services Correspondent

The Government is accused today of stifling discussion on legislation "that will turn the intimate connection between the reform of the common agricultural policy and reducing the United Kingdom's excessive net contribution to the EEC budget".

The committee is advised to emphasize that the linking of the budgetary question to particular level of increase in farm prices is "unacceptable".

The extent to which the praise for the Government is confined to the issue of the budget contribution is underlined when the TUC economists say that "once again" the heads of the Government have "failed entirely" to take action to combat rising unemployment throughout the community.

The Bill's main purposes include cutting benefits for

strikers' families.

## Increased grant ends Cottesloe studio's fears

By Our Theatre Reporter

Fears that financial difficulties might lead to the closure of the National Theatre's Cottesloe studio have ended because this year's Arts Council grant to the theatre has proved sufficient to maintain all the company's activities.

The grant for 1980-81 is £4.95m, an increase over last year of about 9 per cent; but since last year's grant included a special amount to enable the theatre to take over its lease, this year's grant represents an increase of perhaps 22 per cent for the theatre's activities.

## TUC backs Thatcher stand on EEC budget

By Donald MacIntyre  
Labour Reporter

The Prime Minister has received a rare commendation from Trades Union Congress officials for her tough stance at last month's European Economic Community summit in Luxembourg.

The British Government was right to reject the compromise proposals on the reduction of Britain's contribution to the EEC budget, a TUC paper that will go before senior union leaders tomorrow states.

The TUC's economic committee is told in the paper that the proposals on offer "would have provided only a short-term solution and the Government was right to reject them".

The union leaders are reminded that the compromise proposals were for a reduction in the United Kingdom's net contribution to £328m this year. Under that proposal, the paper says, the United Kingdom contribution would have been £418m

in 1981 "after which the proposed arrangements would lapse."

While the outcome of the summit from a British point of view was "unsatisfactory", the British Government is said to "appear to have grasped the intimate connection between the reform of the common agricultural policy and reducing the United Kingdom's excessive net contribution to the EEC budget".

The committee is advised to emphasize that the linking of the budgetary question to particular level of increase in farm prices is "unacceptable".

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praise for the Government is confined to the issue of the budget contribution is underlined when the TUC economists say that "once again" the heads of the Government have "failed entirely" to take action to combat rising unemployment throughout the community.

The Bill's main purposes include cutting benefits for

strikers' families.

## "Makes the difference between stagnation and being part of the living world"

-says 75 year old

Like too many old people she was very depressed by loneliness. "There's a limit to the conversation you can have with a dog," she said.

A Day Centre is what she longs for—somewhere cheerful to go, where she can meet other older people, have a friendly chat and a cuppa. A minibus with a volunteer driver would be an even greater blessing, for she's frightened to go out alone in her district, and there are others for whom arthritis and other troubles make it difficult to walk far.

So what stops Emma being part of the "living world". Simply lack of funds for Help the Aged to start more centres—just as we need money for minibuses for volunteer drivers, and for Day Treatment Centres.

£5 is a real help towards another Day Centre.  
£30 helps provide a Geriatric Day Hospital.  
£150 inscribes the name of someone dear to you on the Dedication Plaque of the Day Centre it helps.

Please send your generous gift to:

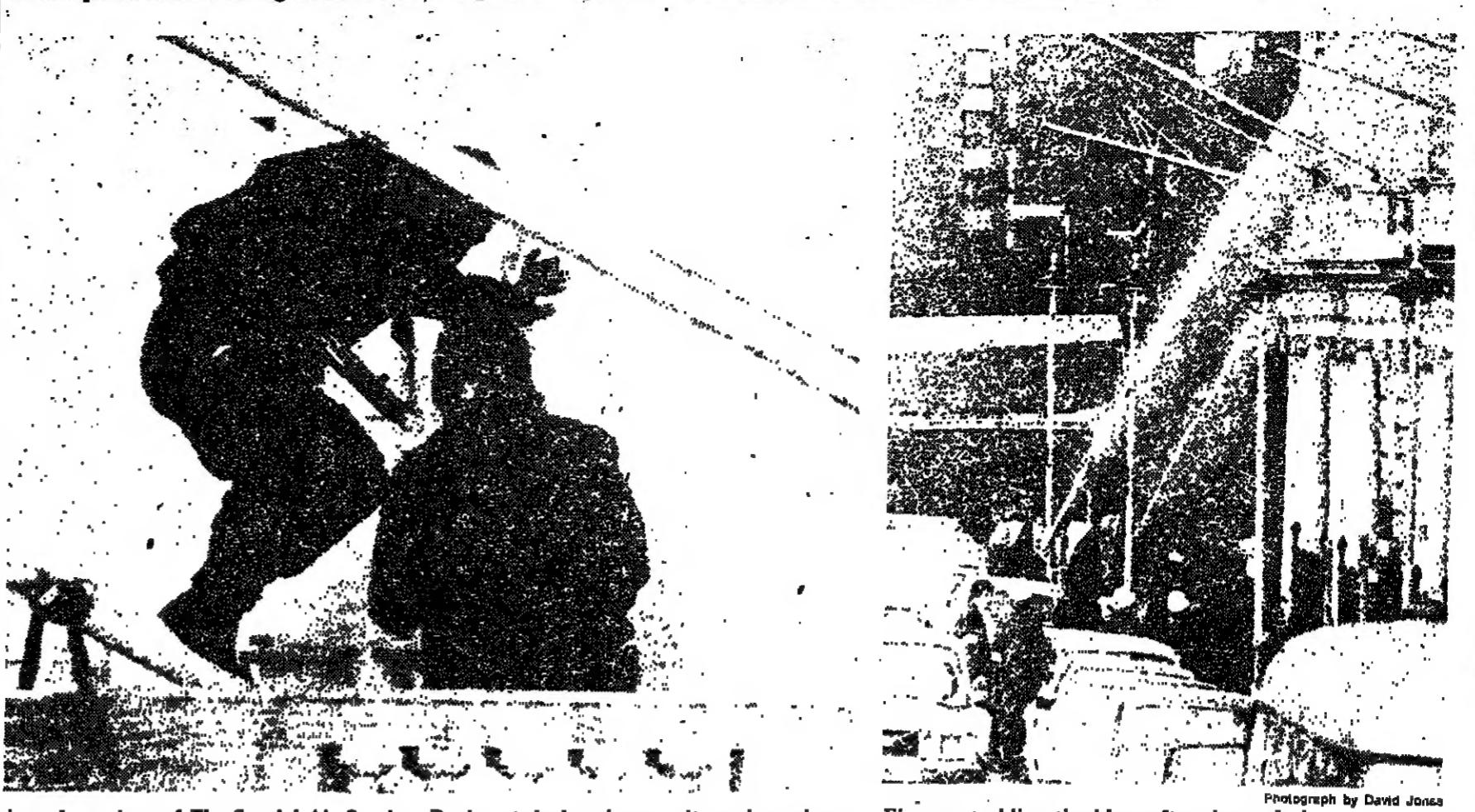
Hon. Treasurer, The Rt. Hon. Lord Maybray-King,  
Help the Aged, Room T2, FREEPOST 30, London,  
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\* Please let us know if you would like your gift used for a particular purpose.



Armed police officers taking cover as bursts of gunfire erupt from the embassy in Prince's Gate, Kensington, yesterday.

Photograph by David Jones



Armed members of The Special Air Services Regiment during the assault on the embassy.

Firemen tackling the blaze after the explosion.

Photograph by David Jones

## Armed SAS and police storm embassy to free hostages

Continued from page 1

Casualty staff supervised the arrivals as extra nursing staff jumped from cars to enter the hospital.

Relatives and friends of the hostages began to arrive outside the hospital, some of the women puffy-eyed and anxious for news. They were escorted through the police cordon outside the hospital.

A police inspector outside St Stephen's Hospital said the hostages were all right. "They have got things like shock and cuts, that type of thing," he said. But there appeared to be no serious injury.

Police were taking detailed statements from the witnesses before allowing them to see friends and relatives.

In the aftermath, as police officers searched the embassy and firemen cleared away the debris, the police explained that the SAS moved in after all other options had been tried.

At one stage in the afternoon, as the terrorists began to talk about killing hostages at the rate of one every half hour, the police brought in a mullah to plead with the men inside.

When Sir David's letter was handed in Police Constable Locke read it to the gunmen carefully and clearly, trying to impress upon them who Sir David was and what the letter meant.

Mr Whitelaw, asked about the decision to send in the SAS, said: "It was only when it was clear that failure to take further action was going to cost lives that the commissioner recommended to me that the further decision should be taken and I thoroughly approved of what he did".

He said it was "an operation which will be seen, I believe, to be in the very best

standards of our British police service in this country".

In the distance, as he spoke, could be heard the chants of the Iranian demonstrators and counter-demonstrators who were a major feature of the scene around the siege for the first two days. Last night they were back in force once again to chant their loyalty to Ayatollah Khomeini or their opposition to him.

A police inspector outside St Stephen's Hospital said the hostages were all right. "They have got things like shock and cuts, that type of thing," he said. But there appeared to be no serious injury.

A police officer outside the hospital, a few hundred yards from the embassy, after the end of the siege, said: "They were back in force once again to chant their loyalty to Ayatollah Khomeini or their opposition to him.

The Iranians gathered quickly in groups outside the Albert Hall, a few hundred yards from the embassy, after the end of the siege and were kept separate by police from hostile crowds lining the railings inside Hyde Park who swapped insults and slogans with the Iranians.

Police later grouped in strength in the area and brought in 40 mounted police to prevent a recurrence of the fighting that broke out last week. However there was no violence last night.

About 200 supporters of the Iranian revolution held what they described as a unity meeting to offer prayers for the victims who died in the siege.

They remained outside the Albert Hall for much of the evening, flanked by police and television lights, continuing to chant: "Long Live Khomeini, Muslims support Khomeini" and varying this with political slogans such as: "Carter is a murderer, Carter is a torturer."

Three hours after the explosions, the fire at the embassy had still not been extinguished. Six water sprays, including two from a giant pump escape, continued to spray the front and rear of the embassy building.

The sudden and dramatic end to the siege was almost unexpected. For the first five days of the siege it appeared at least publicly that things

were going well between four

police negotiators led by Supt Fred Luff and the gunmen in the embassy claiming to represent an organization called the Group of the Martyr.

The initial demands were for the freeing of 91 prisoners arrested after trouble in the Iranian province of Khorasan, known also as Ardebilan. The oil-rich province, in the southwest of Iran, is Arabic-speaking and has been demanding autonomy.

The gunmen also demanded a senior Iranian diplomat, among them the head of the mission, a Syrian journalist and a Pakistani.

In the first few hours of the siege they released an Iranian girl, who staggered from the embassy. She was in shock.

On Thursday afternoon they released Mr Cramer, who was taken to hospital with a stomach infection. Mr Cramer had been instrumental in putting out the world's demand to the world.

Mr Musazha Karkouri, the Syrian journalist, had also telephoned the BBC world service on the gunmen's behalf.

But by Friday it seemed the gunmen were not happy that their demands or their case was reaching the world. Mr Anthony Crebb, a senior BBC executive, stood outside the embassy and tried to assure the men that their case was being presented.

Then the gunmen suddenly

announced an extension of the deadline for another two hours "in the interests of humanity". That, too, passed without incident.

By this time the gunmen had released the first of five hostages.

In the first few hours of the siege they released an Iranian girl, who staggered from the embassy. She was in shock.

On Thursday afternoon they released Mr Cramer, who was taken to hospital with a stomach infection. Mr Cramer had been instrumental in putting out the world's demand to the world.

As Mr Luff stood outside the embassy, they told the world of their demands by telephone and telex. It was a tense first day and night, but, at 12 pm on Thursday, the deadline passed as the negotiators were talking to the gunmen.

Then the gunmen suddenly

## Iran's president to thank British police for effort

Teheran, May 5.—President Abolhassan Ban-Sadr is to send a message thanking the British police for their handling of the six-day siege of his country's embassy in London, his press spokesman said last night.

Mr Mousavi Garmaroudi said: "The president is sending a telegram to Mrs Thatcher thanking her for the action of the police and their intelligence."

Mr Garmaroudi said the message would be transmitted

through the British Embassy in Teheran.

President Ban-Sadr said in a broadcast statement that the British Embassy had informed him of the death of one hostage and the death of three of the gunmen, who captured the embassy, when the building was stormed by British security forces.

"God bless the martyr of the Islamic Republic and the independence and freedom of Iran," President Ban-Sadr said, referring to the dead hostage.—Reuter.

## Tiny enterprise jeopardized by breakdown of multimillion pound contract for Britain's first ironclad warship

## 'Miracle' is only survival hope for steam engine restoration company

By John Chartres

Locomotion Enterprises, a tiny Gateshead company that specializes in restoration buildings, exact copies of historic steam locomotives and other machines, may have to cease trading in the autumn.

The prospect, which is being viewed with dismay by the growing army of steam railway and industrial archaeology enthusiasts, comes after a breakdown in provisional arrangements for the company to handle the multimillion pound restoration of HMS Warrior, said to be Britain's first ironclad warship, which was bought recently from the Royal Navy by the Maritime Trust and is in dock at Hartlepool, Cleveland.

A recent meeting of five of the six shareholders in Locomotion Enterprises was told that losses from the breakdown of the HMS Warrior contract amount to about £28,000, and that a further £100,000 may have to be found for redundancy payments to employees. The shareholders' recom-

mands because of legal difficulties arising from a copy of a third contender, Sans Par-

The company is also making copies of some of the original Liverpool and Manchester rolling stock and has recently started a reproduction of the two steam engines in the Victorian passenger steam launch, Gondola, which the National Trust has restored on Lake Coniston.

مكتبة الملك عبد الله



# We've just had a record year. Come and share in Ford's success.

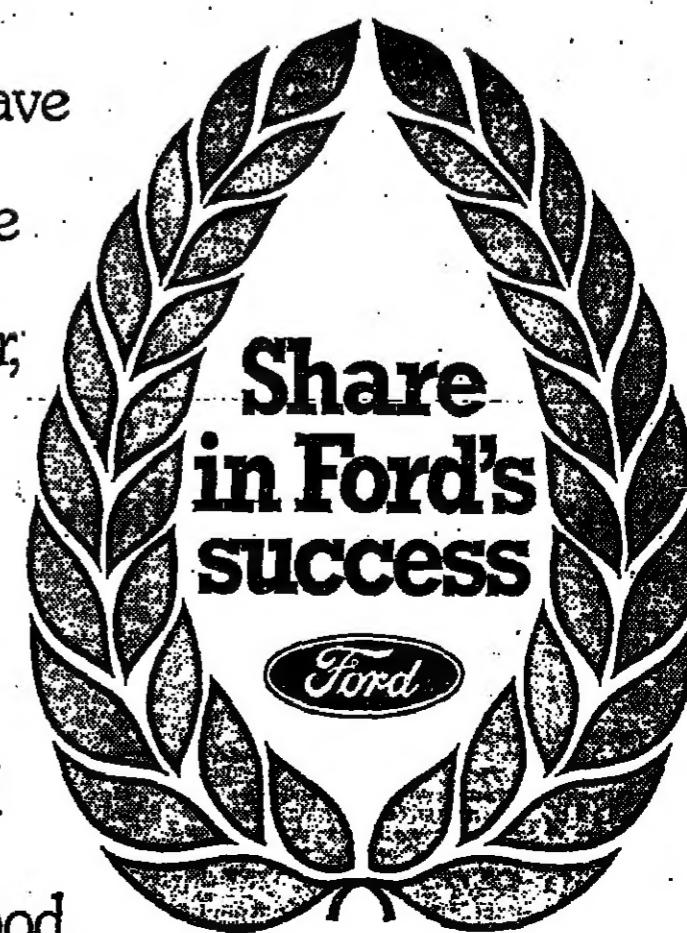
At long last supplies of new Fords have caught up with demand.

Now dealers have cars for immediate delivery.

So having had such a successful year, we'd like you to share in it.

That means that if you buy any new Ford car during May or June, your Ford dealer should be ready to give you a good deal on your old car. And favourable terms on the new one.

Why not pop in to your nearest Ford dealer and see what he can do for you. We're sure you'll find him in a generous mood.



## WEST EUROPE

## Amsterdam relives liberation of 1945

From Robert Schull  
Amsterdam, May 5

Amsterdam was "liberated" by the Canadians this morning. They rode in town in Second World War jeeps, lorries and armoured vehicles following the same route as they did in May 1945 and distributing cigarettes and chocolate to the thousands of Amsterdam people, who once again came out to cheer them.

The Netherlands today celebrated the surrender of German forces thirty-five years ago ending almost to the day, five years of Nazi occupation.

About 350 veterans, who helped to liberate the Dutch capital, were in the Netherlands for a week at the invitation of the "Amsterdam Thanks its Canadians" foundation, which is chaired by Mr Wim Polak, the Burgomaster of Amsterdam.

The southern part of the Netherlands was liberated shortly after Belgium in autumn 1944, but the northern part of the country known as "Fortress Holland", which included the main cities Amsterdam, Rotterdam and The Hague, had to first suffer one of the worst winters on record. It became known as the "bunker winter".

Shortage of food was so widespread that in April 1945 the Germans allowed food drops from Allied and neutral countries.

Today several Second World War British aircraft, including a Spitfire, dropped loaves of bread over The Hague, as well as copies of *The Flying Dutchman*, a newspaper printed in London during the war and dropped over Holland by the RAF.

## Mercenary executed after Surinam coup attempt fails

The Hague, May 5.—A group of mercenaries apparently tried to stage a coup in the former Dutch colony of Surinam last week but they were caught and their leader was executed. The attempt came just over two months after junior army officers took power in the South American state.

A spokesman for the Dutch Foreign Ministry said today that the executed leader was a 35-year-old Dutchman. He did not know how many other mercenaries were involved or what happened to them after they were intercepted by Surinamese forces as they crossed from French Guiana.

The Rotterdams evening paper *NRC Handelsblad* reported that there were 300 mercenaries in the force, including Belgians who had served in the

## Ministers ready to test political temperature after Thatcher rejection of EEC budget offer

From Michael Hornsby  
Brussels, May 5

Meetings of EEC Agriculture and Foreign Ministers here tomorrow will be the first test of the political temperature after Mrs Margaret Thatcher's rejection last week, as inadequate, of the offer made by the other eight member states to reduce Britain's contribution to the Community budget.

The Prime Minister's statement that Britain will veto any agreements on farm prices, fisheries or lamb until a satisfactory budget settlement has been secured has caused considerable resentment and led to suggestions that the eight might seek legal ways of bypassing the British roadblock.

British sources are not taking this threat too seriously. Nor do they appear unduly alarmed by reports from Bonn that Herr Helmut Schmidt, the West German Chancellor, has withdrawn the budget offer rejected by Mrs Thatcher in Luxembourg

**Unions plan protest over arrest of French officials**

From Our Own Correspondent  
Paris, May 5

All five unions representing French customs officers announced today that they plan taking "spectacular action" later this week to bring pressure on the Government to obtain the release of two officers who have been held in a Swiss jail for the past three weeks.

The two officers, M Pierre Schulz and M Bernard Rui, were arrested on April 15 at Basle railway station where they had gone to meet an informer and released.

## Nine open talks with five

## Andean countries

From Our Own Correspondent  
Brussels, May 5

EEC foreign ministers today held their first meeting with their counterparts from the five Latin American countries of the Andean Pact to open the way for negotiation of a trade and economic cooperation agreement.

The agreement, modelled on that signed in March with the Association of South-East Asian Nations, would be of the framework variety covering trade, aid, investment and joint research and development projects.

The Andean Pact consists of Colombia, Peru, Bolivia, Ecuador and Venezuela, and is aimed at promoting free trade among its members.

The Andean countries are important suppliers of tin, copper, zinc, lead, tungsten, coffee and bananas.

## North Rhine-Westphalia rehearsal for Bonn contest

## Fear of war issue in German poll

From Patricia Clough  
Bonn, May 5

He is everywhere: amid the glass towers of Düsseldorf, the coalmines of the Ruhr, the sleepy villages of Westphalia. Good looking, tanned, rough and confidence-inspiring, the face of Helmut Schmidt urges everyone to go and vote.

The fact that the West German Chancellor is not actually up for election himself is irrelevant; his future and the future of Herr Franz Josef Strauss, his challenger, will be largely decided here next Sunday.

All eyes are on the North Rhine-Westphalia *Land* parliament elections. Involving nearly a third of West German voters who reflect almost exactly the social and political make-up of the national electorate, they are in effect a dress rehearsal for the Bundestag elections in the autumn.

If the opposition Christian Democrats succeed in ousting the Social Democrat-Free Democrat coalition in Düsseldorf on Sunday, there is every chance that they can take over in Bonn in October.

Moreover, a Christian Democrat victory in North Rhine-Westphalia would give the party a two-thirds majority in the Bundesrat, the upper house of parliament composed of *Land* representatives, making it virtually impossible for the Chancellor to govern without their consent.

Failure would depressingly confirm the gut feeling among many Christian Democrats that

they are destined to lose again in the autumn and could prompt members to ask even louder whether Herr Strauss should continue as their chancellor.

At present, polls show most people are certain that the SPD-FDP will win again—although this very certainty could overturn the result. Social Democrats are traditionally less active voters than Christian Democrats and the feeling that the election is all sown up may stop many from making an effort to turn out, party officials fear. During the final days, the SPD will be warning their supporters that the outcome is "on the razor's edge".

Another unknown factor is the death, three weeks before polling day, of the Christian Democrat's *Land* leader, Herr Heinrich Koppier. His death has left the *CDU* with Professor Kurt Biedenkopf, an intellectually brilliant but highly controversial figure. Herr Biedenkopf has upset many of his party peers by criticising publicly financial housing and full employment policies and, having helped Herr Helmut Kohl to become the *CDU*'s Chancellor candidate, dropping him to support Herr Strauss.

Herr Biedenkopf is now stuck with Herr Strauss who could cost him valuable votes at the election or, as he puts it himself, "may prevent us from realising our full potential".

Herr Strauss has been a godsend to the Social Democrats

## Court of Justice of the European Communities

## Irish woman's sickness benefit claim in Britain

Between Coonan, appellant v The Insurance Officer, respondent

Case no 1979/1980, judgment delivered April 17, 1980, in the EEC Treaty on a reference by the National Insurance Commission, London, Judgment of the Third Chamber.

Before the president, Judge H. Kurschner, President of the Third Chamber, and Judges J. Merton de Wilmar and Lord Mackenzie Stewart, Advocate General: H. Macrae.

Judgment given on April 24, 1980.

Mrs Una Coonan, the claimant, of Irish nationality, obtained her £16 a week sick pay entitlement under section 177 of the EEC Treaty on a reference by the National Insurance Commission, London, Judgment of the Third Chamber.

In order to be entitled to such a benefit, she had to make a necessary claim (section 14 (2) of the Social Security Act 1973).

In her judgment the Court

referred to a category A reference period, if she had made a necessary claim in another member state before becoming entitled to sick pay in Great Britain, as equivalent to the period during which she resided there, from 1973 to 1975, the payment of those contributions being necessary to determine her right to sickness benefit.

The court held: (i) that the effect of those two provisions when read together is that it is for the legislature of each member state to lay down the conditions creating the right or the obligation to become affiliated to a social security scheme or to a particular branch under such a scheme provided that there is no affiliation between the United Kingdom and the other member states; (ii) that no provision of regulation No. 1608/71 forbids a person to determine the effects of an erroneous affiliation.

Some of Thailand's women politicians say that in Parliament they will demand punishment "worse than death" for rapists.

Mrs Krongsau Veesoomai, an MP, says: "Because a rape victim will suffer mental torment and intense suffering, especially for the rest of her life, the violator should suffer a punishment heavier than execution."

Her sexual organs should be removed so that he can never do the same evil again."

There were no grounds for having recourse to regulation No. 1608/71, because it was not the purpose of that regulation to

create rights by virtue of insurance periods completed in another member state if such rights in the case of the nationals of the host country did not derive from national provisions.

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The general assumption is that the two front runners in their respective party races cannot fail to win large majorities. Both President Carter and Mr Reagan scored significant victories in the North Carolina primary four years ago and expect to repeat those performances.

Next Tuesday, after his strong second place finish in the Texas primary on Saturday, Mr Bush was in fine fettle when

## OVERSEAS



Lord Carrington chats to Mr Edmund Muskie in the Senator's Washington office before meeting President Carter.

## Mr Carter thanks Britain for its support

Washington, May 5.—President

Carter opened his talks with Lord Carrington today by thanking the Foreign Secretary for his government's support.

"You have been so supportive," Mr Carter told Lord Carrington, in the presence of reporters who witnessed the start of their talks in the Oval Office in the White House.

"It's good to have strong allies," the President said, apparently referring to British backing for the United States stand on both the Iranian and Afghan crises.

Lord Carrington replied:

"What are friends for?"

United States efforts to take tough economic and political reprisals against Iran for holding 50 American hostages and against the Soviet Union for its military intervention in Afghanistan were to be a major topic of Lord Carrington's talk here this week.

The European Community has set May 17 as the date on which it would apply economic sanctions against Iran.

Mr Carter, who said last week the Iranian crisis had now become manageable enough for him to resume political travels, delivered a speech

before the national convention of the League of Women Voters today in which he did not mention Iran at all.

League members, moreover, did not ask about the hostages or the ill-fated United States rescue mission—an indication that efforts to resolve the crisis may now be shifted from the public arena to quiet negotiations.

The Foreign Secretary, who met Senator Edmund Muskie, the Secretary of State designate, this morning before calling on President Carter, said earlier today that further military

moves against Iran could have adverse effects.

Calling for American patience, he said Western Europeans were sympathetic to American concerns about the hostages but were worried about other regional issues such as Afghanistan, the Arab-Israeli conflict and the future of Iran itself.

Lord Carrington said he thought the aborted hostage rescue mission last month set back the eventual release of the Americans. "I don't believe there's anything very significant one can do in the next two or three weeks," he said.

## President's pledge to defend poor

From Our Own Correspondent  
Washington, May 5

President Carter made a strongly liberal speech here this morning, restating his commitment to social welfare, controlling unemployment and improving the condition of the cities. He reaffirmed his commitment to protecting the environment, passing the equal rights amendment and saving various programmes for minorities that face trouble in Congress.

The most important is the food stamp programme, under which 21 million people get subsidized food. Conservatives in Congress are trying to reduce the programme, and it is due to expire on May 15 if Congress does not appropriate funds for it.

Mr Carter was addressing the annual convention of the League of Women Voters and was asked repeated questions about the effects the recession and the attempt to balance the Budget would have on welfare programmes.

Both the Uganda People's Congress (whose leader Dr Milton Obote, the former President, has lived in exile in Tanzania since 1971), and the mainly Roman Catholic Democratic Party, had said they would insist on campaigning.

The Government has now issued a statement saying that all political activity must be suspended by Friday.

## Ugandan Government bans parties from campaigning

From Our Correspondent  
Nairobi, May 5

The Ugandan Government has formally banned individual political parties from campaigning for the elections due by December.

Both the Uganda People's Congress (whose leader Dr Milton Obote, the former President, has lived in exile in Tanzania since 1971), and the mainly Roman Catholic Democratic Party, had said they would insist on campaigning.

The decision to ban individual political parties was taken by the National Consultative Council (Uganda's interim Parliament), but there is no bar on individual Ugandans standing for election as members of the front.

conducted by the ruling Uganda National Liberation Front, and not by any of the parties who formed the front early last year.

A broadcast announcement said: "Political rallies will be held only by permission of the front's secretariat or its local branches. Any meeting contravening this guideline will be illegal."

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In the context of the need to protect the poor from the effects of the recession, Mr Carter described with pride his success in preventing Congress from taking \$5,000m (£2,300m) from welfare and adding them to defence.

Asked about the prospects of the Sal 2 Treaty, he said he was determined to get it ratified during his term in office, presumably meaning the next four and a half years. The United States would abide by the terms of the treaty so long as the Soviet Union did, even before it is ratified.

Then he said: "We are prepared to move forward on theatre nuclear force discussions, which affect medium range missiles in Europe and also to commence work on Sal 3."

"This is a deep commitment of mine and I am determined that before I go out of office we will have successfully concluded the negotiations with the Soviet Union to drastically reduce nuclear weapons with the goal of eliminating nuclear weapons completely from the face of the earth."

## America closes visa office in Havana

From Our Own Correspondent  
Washington, May 5

The United States has closed its visa section in Havana because of violent incidents outside the building last Friday.

There are about 400 people inside the office, hoping to get to the United States, and the Cuban Government has demanded that they should be turned over unconditionally.

[A UPI report said that the Cuban Government had offered to allow the women and children to leave the visa office but insisted that the men be handed over to the government.]

The people inside are all ones who had exit visas, and went to the American interests section in an attempt to speed up the delivery of entry permits. They were attacked by a crowd of rowdies, believed by the Americans to be under government control, and took refuge inside the building.

President Carter described them today as mostly former political prisoners. He said: "We will continue to provide an open heart and open arms to refugees seeking freedom from Communist domination and economic deprivation."

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## OVERSEAS

**Russia says it will never interfere in Yugoslavia**

From Michael Binyon

Moscow, May 5

The Soviet Communist Party and Government today declared that Russia would never interfere in Yugoslavia's internal affairs, and would strictly observe all the agreements reached during President Tito's lifetime governing their mutual relations.

A message of condolence to the Yugoslav party and Government said: "President Tito had attached great significance to the development of cooperation between the two countries, and his regular meetings with the Soviet leaders contributed to a deepening of Soviet-Yugoslav friendship."

On these days of sorrow, the message added, the Soviet party and Government reaffirmed their strong friendly relations with Yugoslavia "on the basis of an unwavering observance of the principles and agreements, on which understanding was jointly reached at top level, non-interference in each other's internal affairs, equality, strict respect for sovereign rights, in the spirit of mutual understanding and trust."

Glossing over the bitter feud with President Tito after 1948, the message said: "Soviet-Yugoslav friendship was based on a deep historical tradition in the memory of fraternity in combat and internationalist solidarity in the struggle for the ideals of Communism."

The message said the Yugoslav leader won high esteem by his vigorous party activity, leading the struggle against the Nazis, organizing the founding of the Socialist Federal Republic of Yugoslavia and strengthening the country's unity.

It noted he was a founder of the non-aligned movement—an issue over which the Russians again quarrelled bitterly with Yugoslavia even as President Tito lay dying—and said he spent 40 years fighting against the forces of reaction to ensure security and social progress.

"The Soviet people share the grief of the Yugoslav people," the message said. "Josip Broz Tito's name will remain for ever in history."

No Soviet newspaper this morning carried any obituary of President Tito, and *Pravda*, which has an early deadline, carried only one sentence at the foot of the front page announcing his death. Tass did not publish an obituary in its English language service.

President Brezhnev is not likely to attend the funeral, but the Soviet leadership will pay a visit to the Yugoslav Embassy here to sign the book of condolences.

## British A-bomb blamed for deaths

From Douglas Aiton

Melbourne, May 5

A team from the South Australian Government Aboriginal Health Service is going to the area around Wiliatina in the centre of the state to check on the health of Aborigines following reports that several died after being enveloped in a "rolling black mist" when a British atomic bomb test was held in the area in 1953. Wiliatina is about 45 miles north of the British test site at Emu Field.

Witnesses claimed that people in the camp of 45 members of the Yankunytjatjara tribe became blind and within 48 hours of the cloud reaching the camp. All the Aborigines were affected by uncontrollable diarrhoea and vomiting. Soon after a skin rash "like measles" broke out on their bodies.

It is also claimed that within 72 hours healthy children went

blind and that several did not recover their sight. The old and frail in the camp started dying within five days. Some lingered for up to a year.

Professor Fred Hollows, of Sydney, an eye expert, has been asked to go with the team to check whether Aborigines' blindness was caused by radiation rather than diseases such as trachoma and glaucoma as previously thought.

The wife of a former sheep station owner in the far north of South Australia has confirmed the Aborigines' version of the incident. Mrs E. L. Giles, now aged 74, was in the area when the British detonated their bombs. She also said she saw the cloud and thought it was a dust storm. Her husband, Phillip, died of liver cancer in 1964. Two Aboriginal employees also there at the time of the tests later died of cancer.

The cloud left an oily, dusty residue on buildings and fruit trees, Mrs Giles has said. The fruit trees later died. Aboriginal survivors have said the mist had a pungent odour. They said it came from the south and blotted out the sun for several hours.

The British exploded atomic bombs on October 15 and October 27, 1953. Aborigines who survived cannot pinpoint the date it happened, but maintain it has been common talk among blacks for years. Only since they have read and heard recent reports of illness and death by cancer among former workers on the nuclear tests has the significance of their experience become apparent.

British and Australian military and scientific authorities have repeatedly said that no Aborigines could have been affected by radioactivity.

Mr Pat Creevey, a co-ordinator of the Australian Nuclear Veterans' Association, has demanded an immediate response from the Government.

## Pope appeals for freedom of religion in Congo

Brazzaville, May 5.—The Pope on the second stage of his 10-day tour of six African countries asked the Congo Government today to allow the Church the right to operate in full freedom and promised that it would not endanger the state.

He told President Sassou-Nguesso of Congo, who greeted him at the dockside, that the state could count on the loyal collaboration of the Church.

And the Church in the name of its spiritual mission asks the liberty to speak to consciences as well as the possibility for believers to profess their faith publicly, he added.

Hundreds of thousands of Congolese, chanting and waving crosses and flags greeted the Pope when he arrived by river barge from Zaire.

In his speech of welcome President Sassou-Nguesso said that his Government wanted a fruitful dialogue with the Holy See.

## Church 'occupied' in Chile

Santiago, May 5.—Fifteen men and women have occupied a Santiago Roman Catholic church to demand the release of 52 people arrested last Thursday in an illegal Labour Day march.

Two masked women told reporters last night the occupation was peaceful and would continue until the detainees

were freed. Police arrested demonstrators and fired into the air to disperse the May 1 march during which police said subversive pamphlets were handed out.

The occupiers of the church locked the doors with chains after hanging a placard which read "The people defends the People, Freedom for the detainees".—Reuter.

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## Socialists shun vote for Greek presidency

From Mario Modiano

Athens, May 5

Mr Constantine Karamanlis, the Prime Minister, was elected President of Greece until 1985 by parliament today. He will succeed President Constantine Tsatsos, whose five-year term ends next month.

Mr Karamanlis received 183 votes, three more than the three-fifths majority required in today's final ballot. There were also 12 blank votes while ten other votes went to four nominal candidates.

The 93 deputies of the Panhellenic Socialist Movement (Pask), the main opposition party, again refused to vote because they feel the present chamber, elected in 1977, no longer reflects the will of the Greek electorate.

Today's vote proved that the smaller opposition parties were ready to take the risk of political extinction in a premature election (had Mr Karamanlis not been elected) rather than face the support of the Government's candidate.

## Assam students relent on oil products embargo

From Richard Wigg

Delhi, May 5

In a further display of their hold over local sentiment, Assam's student leaders today permitted people to produce oil at the Indian State Oil Corporation's headquarters in Gauhati to be moved to meet shortages in the north-eastern region.

Mr Indira Gandhi's Government last month took charge of the Gauhati oil installations but no crude could flow or petroleum products be moved even after troops were sent in because the oil workers and engineers obeyed boycott instructions from the Assamese student leaders. Many of those involved have since been arrested and moved to Bihar jails.

The students, who have led eight months of agitation against immigrants settled in Assam, defiantly told the Government today that if any lorries carrying the products were being secretly diverted anywhere out of the north-east region, everything would once more be stopped.

Today's vote proved that the smaller opposition parties were ready to take the risk of political extinction in a premature election (had Mr Karamanlis not been elected) rather than face the support of the Government's candidate.

## Man accused of Gandhi attack is granted bail

From Our Own Correspondent

Delhi, May 5

A Delhi magistrate today freed on bail Ram Lalwani, the man accused of attempting to assassinate Mrs Indira Gandhi, the Prime Minister. In a knife attack on April 14, the magistrate also criticized the police.

Remarking that the 37-year-old textile worker from Baroda did not seem to have intended any attempt on Mrs Gandhi's life or even know how to throw a knife, Mr S. M. Agarwal, the magistrate, said: "The police seem to have overreacted and overplayed the part assigned to them".

The remark was evidently directed at Mr P. S. Bhinder, the Delhi police chief, who took charge of the investigation. He was appointed shortly after Mrs Gandhi's return to power. Mr Bhinder claimed on the evening of the alleged incident that Mr Lalwani had made a "full confession".

Mr Lalwani, who has been in hospital since his arrest, was freed on bail of 5,000 rupees (about £280) and a surety of the same amount. He remains in hospital.

## Fashion

by

Prudence Glynn



### The Times special offer

If the test of a good restaurant is that people choose to eat there on their own, not to show off to others or because the bill works out at less than the prices at the only late-opening grocery in the neighbourhood multiplied by the cooking bill and the account for overall fatigue, then the test of a good garment is that you wonder whether to get out your scissors—this one already has a side slit.

That is the way I feel about my last special offer dress, the pure wool crepe shift of infinite potential. I have it in navy—please don't all write in and complain that you haven't yet got yours. Devout on recommendation to readers, I recommend with the samples. That I can say that navy should be bought only in the very dark or truly fair. My own hair being at that moment a shade of souris de compagnie, it behaved me to re-blend at high speed (Clair! Nice "n" easy; dreadful name, reliable results). All of you of course can have wicked scarlet or submissives grey—very pretty teamed with scarlet or navy.

The only snag I found about the dress was that for a person of commanding height, in the incidence of non-violent crime and juvenile offences, such concern must certainly be the envy of police in Europe and the United States.

For instance Tokyo police are worried that robberies and bank robberies were reported throughout the entire country in 1978—firearms were used in only six instances. Last year Japan, with a population of 122 million, recorded 115 robberies at banks and other financial institutions.

However, senior officers at Tokyo's metropolitan police headquarters are worried by a rise in the incidence of non-violent crime and juvenile offences. Such concern must certainly be the envy of police in Europe and the United States.

The story is probably apocryphal, but it certainly illustrates why Japan can boast of the safest, cleanest and most efficient urban transport system in the world.

It also demonstrates why Japan's low rate of crime is now the envy of other industrialized democracies.

Tokyo is surely the world's safest industrialized city of its size and the police attribute this safety to the emergency code, where one of the teenagers spoke out in faltering English: "May we speak with you to practise our English?"

The story is probably apocryphal, but it certainly illustrates why Japan can boast of the safest, cleanest and most efficient urban transport system in the world.

The only snag I found about the dress was that for a person of commanding height, in the incidence of non-violent crime and juvenile offences, such concern must certainly be the envy of police in Europe and the United States.

A mere 58 bank robberies were reported throughout the entire country in 1978—firearms were used in only six instances. Last year Japan, with a population of 122 million, recorded 115 robberies at banks and other financial institutions.

Police officers in Tokyo are bewildered when they read reports of how juvenile gangs destroy public property or street peddlars in London streets and subways.

"We do not have to deal with that sort of thing here. We do have gangs of hot-rodders and they are certainly a nuisance because they create a noise. They might fight each other but seldom do they attack the public", a police spokesman said.

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This being a practical page today I present a most practical range of clothing, that of Reldan. The re-doubtable chairman of the company, Cyril Kern has rightly pointed out that gloom and doom are too much with us in the fashion scene. Reldan, far from contracting, have expanded their production facilities at a time when so many are cutting back, if not cutting corners.

"In the past five years", reports Mr Kern, "we have followed an active market policy." This policy takes close note of what the woman in the street wants to wear and what she wants to pay for what she wears. Quality is high and the design unlikely to frighten the horses, although Victor Herbert has generated some sparks in a special section of the range.

Reldan is the "leading manufacturer of co-ordinates" (those invaluable bits and bobs you can marry up together on a morning when everything in the cupboard looks bare) and is splendidly colour related. For late summer and autumn.

Drawing by Paul Peacock

a work of art



Stuart Crystal  
Available from leading retailers

Above left: The jersey dress with implications of the coming mini but none of the horrors of having to reveal your knees. Knitted shawl collar. Above right: New length jacket, placket front blouse, classic trousers. All from Reldan's Autumn 1980 range. Stockists: Barkers, Selfridges, Dickens and Jones, Harvey Nichols, Fenwick, Bourne and Hollingsworth, Top Shop at Peter Robinson.



## SPORT

Rugby Union

# Welsh referee will give Lions inside view of Springboks

From Richard Streaton  
Vanderbijlpark, May 5

Something adds to an unexpected trump card emanating from the British Isles party today and has caused quite a stir. On the past two Saturdays the international matches between South Africa and the touring Lions have been helmed by the Welsh official, Ken Rowlands. Tomorrow Mr Rowlands is joining us here while the Lions study film of the two matches.

Officially Mr Rowlands will make his debut by helping the Lions with his impressions of how several of the more contentious rugby laws are interpreted in this country. On previous Lions tours the Lions and staff have been advised to set aside time at set scrummages, in particular, have always proved flashpoints for irritation and confusion.

Officially, how many South African rugby followers will be described by quoting newspaper headlines that talk of "spies in the camp," with text going on to suggest that he will be revealing Springbok secrets in 90 minutes close-up of some of their ways.

Certainly no other touring side has probably ever had the benefit of such advice and guidance from someone with such immediate personal knowledge. An example of what the most popular plan is a spin-off of neutral referee something still very new in representative rugby. It is also, perhaps, revealing of how seriously modern rugby sides take their preparation and now consider the views Press corps present at the moment, for something to record.



Campbell: temporary malaise did not cramp his style.

As in 1974 these Lions are already on the slow sodium tablets, a modern form of salt pills, which first proved so effective on England's Far East tour in 1971. The only compensation element to the training came when players alternately jogged and sprinted for several laps of the field alongside their positional backs, full back against full back and so on.

The most common complaint was blistered feet with Cotton, Martin, Woodward, Tucker, Carleton and Blakeway the main sufferers. It was, one suspected, a mixture of new boots and synthetic fibre socks that was causing the trouble.

Against an invitation SARA XV now, with five white players

brought in to strengthen the hosts. This follows an 81-7 defeat sus-

tained by SARA recently against a Northern Transvaal under-25 side in a warm-up game, and the alternative came at SARA's own insistence. The five "guests" include Ewoud Malan, the number two Northern Transvaal hooker, who toured Britain with the South African Barbarians last year, and also David Smith, a Zimbabwean who was picked for the Springbok national trials last month, but had to withdraw through injury. Stand-off, loose head prop and open-side flanker are the other positions that SARA feel the need for outsiders to fill.

A short time earlier will come Lions with both a harder match and also further evidence elsewhere that rugby is fulfilling claims to being multi-racial.

It will be very difficult to say that the Lions have played some fine rugby, that their backs are among the best in the northern hemisphere, that results scarcely reflect their imaginative and attractive approach to the game. All that is clear to see. It is the other countries who are winning and while "the game" is the important thing, victory at the end of it seems in Scotland to be almost forgotten objective.

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Stanley Sadie

One of the grandest flops in the

history of music, apparently,

was the opera written in 1662

by Cavalli—then reckoned the

leading operatic composer of the

day—for the Paris celebrations

of the marriage of Louis

XIV. For all the magnificence of

the entertainment, no contemporary report managed to

find a good word, indeed any

word at all, for the music, and

Cavalli himself considered giving

up opera after it. Lully's

interpolated ballets, danced by

Louis, understandably, won

praise. It was characteristic of

Lima Lalandi to choose this

work for the English Bach

Festival, and so give us the

opportunity to overturn, or confirm,

the original evaluations,

etcetera.

For obvious practical reasons

the opera and the ballet had to

be given separately, which

meant that the links between

them were shattered, ultimately

to the ballyhoo disadvantage

of the Cavalli operas that have

been revived, and indeed from

Monteverdi; only here it is

enriched by French elements—there are choral scenes

(notably a superb and pro-

longed one for the nuptials of

Hercules and Iole) at the begin-

ning of the fifth act) and several fine ensembles. All this, combined with the flexible tex-

tures that distinguish Cavalli's

idiom, whereby he slips easily

and naturally, according to

dramatic exigency, between

recitative, arioso and aria,

between the serious and the comic,

or between continuo and full string accompaniment, produces a score that is very varied and often very

striking.

This was a performance with "authentic" instruments, and to some degree authentic voices.

Ulrik Cold, the Danish bass who sang the title role, has

no want of weight when it is called for but manages to sing

lightly and clearly and to phrase

sensitively too. Most of the

singers in the smaller roles kept

their voices light, their expres-

sions range limited, including

Lesley Garrett as the Page and Peter Hall as Lycus; so did Lynda Russell, singing smoothly

and with some delicacy as Iole.

It was Revd Stanley Sadie

who gave us the first real

opportunity to assess the

whole work, and he did so

with great gusto and enthusiasm.

He is right to insist that

the Cavalli is a masterpiece

of musical theatre, and that

the Cavalli is a masterpiece

of musical theatre.

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# Le Monde LA STAMPA THE TIMES DIE WELT **Europa**

VOL VII - No 6  
AN ECONOMIC MONTHLY PUBLISHED IN  
BRITAIN, FRANCE,  
WEST GERMANY AND ITALY

In 150 days from now the West German electorate will decide whether the new Chancellor is to be Franz Josef Strauss. "Europa" asked the Opposition candidate in the Bundestag for his views on relationships between Europe and America and on the Franco-German relationship, and for his assessment of Soviet foreign policy. We also asked Herr Strauss if he was in favour of a European Community with increased membership, and how he saw the situation in Yugoslavia after President Tito. Finally we asked him whether he believed he will be successful next autumn, and what he thinks of his opponent Helmut Schmidt.

## Three steps to detente

Herr Strauss, how do you see the situation as regards foreign affairs, in West Germany in particular?

The position of the Federal Republic as regards foreign policy is determined by the inextricable bonds of adherence to the European Community, our unshakable alliance with the Atlantic Alliance, our desire for peaceful cooperation with the Eastern and Far Eastern countries of a communist sphere of influence.

The brutal Soviet invasion of Afghanistan has provided fresh evidence of the global and long-term nature of Soviet foreign policy. It is a combination of imperialist belligerent politics, colonial exploitation and the pursuit of world revolution. Against this, the West's awareness of the problem has become increasingly impaired ever since the end of the 1960s through the mystique of a policy of peace and detente that has been taken too far.

What aspects of German foreign policy would you change if you were to become Chancellor? Would you, for instance, feel yourself bound by the treaties with the Eastern countries in their present form?

It was the quiet persevering work put in by CDU/CSU governments in Germany since 1950 which laid the foundations for a start to the normalization of our relations with the Warsaw Pact countries. We are all of us for detente. But it depends on what kind of detente it is, whether it is genuine or illusory.

For the Soviet Union, a policy of detente does not mean the end of East-West differences. For them the cold war is one method, and detente is the other. They are both applied at different times and in different parts of the world according to the objective in view, the chances of success and the position regarding spheres of influence.

The present SPD/FDP coalition Government in Bonn has so far wrongly appraised this state of affairs. It has given itself false ideas, presented the public with a false picture and brought about an unwarranted feeling of security among Europeans. By pursuing an overlastingly ideologically determined Ostpolitik, which they were under pressure to make succeed, and which then drew up as the result of secret negotiations with the alien Communists, the Government in Bonn has in the same boat.

## EEC should now consider advice of 'wise men'

"The secret of the Community machine lies in its institutions." This observation was made recently by M. Edgard Pisani, the French Socialist member of the European Parliament and former minister under General de Gaulle. He added: "Since the Council of Ministers has stopped taking decisions, the Commission has lost the will to make proposals and the bureaucratic system has developed inexorably."

Since the Treaty of Rome, the balance between the European institutions has on the one hand varied according to the existing state of political balance, and on the other reflected the manner in which each of them has been run, depending on the particular time and the individuals in charge. During 1979 several reports on this question were commissioned from teams of "wise men", which goes to show that it was worth asking. Has not President Giscard d'Estaing himself spoken of the institutions getting out of control? Proposals have been put forward on all sides.

The time has now come for decisions. As we enter the middle of 1980, we find an interesting conjunction of cir-

cumstances which could influence developments in the Community during the first part of this crucial decade. The European Parliament will soon complete its first year since direct elections, and it will be an appropriate time for it to weigh up its record over a period in which it has made itself a focus of attention, taking bold initiatives and declaring its position on the most vexed issues rather more effectively and, as a rule, more often than the individual national parliaments. It is seeking to secure the best position for itself in the new institutional dialogues.

The Commission, the central agency of the Community's activities, is reaching the end of its term of office, so that new members will, before this year is out, have to be appointed and a new president selected for a four-year term. At the same time, the urgency and importance of the decisions to be taken by the Nine are lending vital significance to the meetings of the Council of the European Communities, whether they be seeking means of silencing British discontent over the budget, improving the workings of the Common Agricul-

tural Policy or aligning positions (short of agreeing on a common one) on, for instance, the situation in the Middle East.

After years of talk about political cooperation without a lot of action, there now seems, strangely enough, to be more action than ever and almost no talk. Is this something that cannot be admitted for political reasons or more a matter of strategic necessity? The fact remains that many decisions on issues of common interest—and often of great importance—are now taken on the basis of full but rather informal consultation outside the sphere of the official Community institutions.

In the same way as the central banks, foreign ministers now confer regularly by telephone and telex. More than this, we have had the recent example of the ambassadors to Iran of the nine European countries working together on the drafting of the reports which each was to send back to his central administration, in which they all expressed reservations about the likely effectiveness of economic sanctions. Is this working according to a new

continuation on next page



national policy in the light of the heightened world tension resulting from the Soviet invasion of Afghanistan, the future of inter-German relations can be viewed only with apprehension. I want an improvement not so as to delude myself but for the sake of humanity and our common fatherland.

It must be remembered that even before this happened East Germany had carried out, in the most extensive works on its security installations along the frontier with West Germany that had been seen for years. To make this most inhuman of all frontiers even more impenetrable was a clear breach of the basic treaty under which the two Germanies are pledged to promote good neighbourly relations.

Would you, if Chancellor Schmidt does not visit East Germany before the Federal elections, try to arrange a meeting with Herr Erich Honecker, the East German leader, yourself in the event of a CDU/CSU victory at the general election?

We must make it clear to the Russians, by taking up a non-provocative position with the emphasis on peace, and showing complete readiness to embrace detente, while at the same time displaying a credible determination to defend ourselves both in the moral and physical sense, that they cannot have it both ways. They cannot pursue a policy of aggression against the West and still continue to receive technological assistance from the West.

Would you continue to give priority to the Franco-German relationship?

For us Germans in the Federal Republic the Franco-German relationship will always be crucial. After all, Germany and France have close geographical, historical and political ties.

Konrad Adenauer and General de Gaulle put the seal on Franco-German friendship in 1963 with the treaty of friendship, but this was in no sense a union of two countries against the wider European alliance or other partner countries, or even the nuclear round which European foreign defence and economic policy was intended to crystallize.

Do you feel that the Federal Republic is fulfilling a fitting role in world politics?

West Germany is an important partner in the European Community and the Atlantic Alliance. But it is not a world power which can take on the responsibility for global policies on its own. Because of its geographical location on the dividing line between West and East, and the fate of being divided that has befallen the German nation, West Germany is called on above all to safeguard peace and freedom. For this there must be solidarity with its partners in the Atlantic Alliance, and it must be prepared to bear its share of the related burdens to the extent that its economic capacity will allow.

What is your opinion on the enlargement of the European Community through the accession of Greece, Spain and Portugal? And would you also be in favour of Turkey membership?

Since the beginnings of history the Mediterranean area has always left a decisive stamp on European political, economic development and culture. Because of the highly volatile concoction from the mixture of races in the east Mediterranean and the Middle East, it is in the interests of peace and freedom for our continent that the economic potential, social structure and also defence capability of the Mediterranean area should be strengthened.

I welcome the decision to accept Greece, Spain and Portugal as full members of the EEC as a decisive step in this direction. It is to be hoped that the proposed transitional period before full integration will help to prevent additional overworking of the labour markets in member states, and that the measure of resistance envisaged by the Brussels Commission will enable the acceding countries to accelerate the process of developing their economies to the necessary stage of maturity to allow them to participate as free competitors.

With the accession of these three countries, the EEC will

have reached a degree of enlargement which, considering the present political geography of Europe, is likely to be the maximum feasible extent for the foreseeable future. The greater and more rapid the geographical extension of the EEC, the less effective it will become as an instrument of action, and the slower the process of internal consolidation. This would be especially unwelcome at a time of such dramatic changes in international affairs, when the Community needs to be capable of acting effectively more than ever before. Rather than being granted full membership Turkey should be given economic aid by the EEC as rapidly as possible, through resuscitation of the treaty of association which has meanwhile been put on ice.

Would you advocate that the West should provide military assistance to the Soviet Union invades Yugoslavia?

Yugoslavia is a multinational state, with an ancient tendency towards centralization, which has been held together by the strong personality of Tito. If this tendency, under a successor regime after Tito, should lead to a collapse of the state, then in my firm opinion the situation could be extremely dangerous. There is a Soviet statement which says almost exactly that. The greater the unity of views shown by the West, and the more capable it is of reacting effectively in the face of the invasion of Afghanistan, the

A politician who does not believe he can be successful and fights for it, has no business to take part in democratic elections. I am convinced we have a real chance and have good grounds for expecting us to win the Bundestag elections on October 5 if we show sufficient resolution and unity of purpose, and if we set about in a credible and convincing manner to bring home to the German people that the zigzagging policies of 10 years of SPA/PDS government with their constant changes of policy, disappointed financial burdens, inflicted illusions about detente, and the narrowing of the ideological horizon, must be succeeded by a policy based on realities and resting on clear principles, a policy that will safeguard peace and ensure freedom for all the people of West Germany.

What do you feel about opinion polls?

Opinion polls and their results can provide useful information for politicians. But they should not be misused in order to influence opinions. "Democracy" is no substitute for democracy.

What do you think the political scene in West Germany is likely to look like in two years' time?

I am no believer in political astrology. I hope, though, that Germany even two years from now will be a country of free and creative people, with internal liberty and stability, socially advanced and politically secure. My political friends and I will at any rate make every effort to bring this about.

What do you like and dislike about your opponent Herr Schmidt?

Chancellor Schmidt is a man who finds himself in between two different worlds, the dream world of the Socialists and the pragmatic world of reality. Because of the growing strength of the left-wing Socialists in the SPD and their ability to implement their ideas, Chancellor Schmidt is unable to pursue the kinds of policies which, with his intelligence and experience, he would really like to pursue. He is the prisoner of his own party, and as such has shown great dexterity over his continual shifts of opinion when, as I say, he often thinks in the same way, only he cannot speak his mind for opportunistic reasons in the face of the increasing strength of the left wing of the SPD.

There are many areas where the CDU/CSU opposition has helped Chancellor Schmidt to gain the majority vote in the Bundestag which he was denied by his own party on ideological grounds. Examples I can mention are the question of rearming Namibia, the policy on nuclear energy and the campaign against terrorism. Helmut Schmidt is opposed by the SPD, whereas on all these questions that are so vital for our country I have the unabated support of the CDU and CSU.

This would mean that discussions would be car-

## Viewpoint

How America sees Europe

## Best of friends with Britain again

stock types of American melodrama. It is perhaps an error on the part of French diplomacy to have appeared to assume that role, more by the language of a few unfortunate speeches than by particular actions.

This feeling that the allies are not sufficiently supportive has been roused both by Iran and Afghanistan, but more by Afghanistan. Americans do understand the need not to push Iran into the arms of the Soviet Union; they do not see that detente can survive in Europe if it is broken in south-west Asia.

While I was in the United States I did not detect any difference between individual candidates on their attitudes towards Europe. What is happening however is that the American parties are increasingly coming to identify with European parties of the same political colour. The Democrats do not identify completely with socialist parties because, after all, they are not socialists. But they do identify readily with the moderate leadership of social democratic parties including, particularly, the SPD in Germany.

The Republicans identify with the Conservatives in Britain. Because they are not a religious party their identification is less complete with the Christian Democrats, but they have sympathy with the leaders of the Christian Democratic parties. Although the next German election is not due until October, the Americans are assuming that they will be dealing with the existing Chancellor of the Federal Republic and with the existing members of France for an indefinite time ahead.

The long held view of American policymakers is that British membership of the European Community is good for the United States; it is good for Europe and certainly good for Britain. They believe that British membership of the European Community is beneficial to the United States, despite their feeling that it adds to the competitive power of the European community in terms of trade.

They believe that a close and permanent relationship between the United States and the European community, with roughly equal economic capacity but unequal defence capacity, is essential to the welfare of our partners and, perhaps, therefore in the survival of liberty in the world. They see Britain as a strong economic link but as a strong international link with Europe.

The events of recent months have tended to make Americans feel that Britain is the one European nation which sees the world in the same way that they do. They read Mrs Thatcher's speeches and they half believe that he is threatening to throw Britain out of the European Community because the British are sympathetic to the American position over Iran and Afghanistan.

The tensions between Britain and France, which perhaps have more to do with local economic issues, are seen as reflecting French resentment of American power over American culture. Thus, at present, France has gone some way in justifying General de Gaulle's view that Britain and the United States would always be together, as "the Anglo-Saxons".

William Rees-Mogg

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## EUROPA

**EEC should now consider advice of 'wise men'**

continued from previous page  
modus vivendi the Community has changed and is probably making ready for further changes. Thus the important question of the central role assigned to the Commission in the running of the Community is not, in principle, a key issue. It is in principle an independent body whose function is to make proposals, to suggest new directions to the member states, but this role has gradually been denatured. While drawing inspiration from time to time from the Council, it has been gradually changed into a mere secretary carrying out instructions. This development is highlighted by the fact that, between Council meetings, Strasbourg rather than Brussels has become the main centre of day-to-day news about the Community. The members of the Commission have lost a little of their intimacy and authority with the media to the directly-elected MEPs.

Is this a good or bad trend? Many members of the European fraternity believe that it is anyway, irreversible and that if it is to be accepted that the Commission is destined to become a sort of technocratic executive, then it should at least be made up of highly competent individuals, which has not always been so.

The choice in June of the new president will be revealing from this viewpoint. To begin with, depending on whether he is a leading politician or a senior administrator, it will be deduced whether he is likely to play a more political or merely technical role.

For the time being, Mr Gundelach is the only known candidate officially supported by his government. Mr Joseph Thorne's name is mentioned often by observers, not because he is from Luxembourg, one of the six founder members—and this is not without significance at a time when a tenth member is about to join. His country has never held the presidency of the Commission and he himself lost the presidency of the European Parliament last year (but he would not be a popular choice with President Giscard d'Eassing after their difference of opinion over Radio Luxembourg).

Another name put forward is that of Mr Bleisheuvel, the former Dutch Prime Minister and Minister of Agriculture, one of the "three wise men" who were called upon last year to make suggestions on the new balance between the European institutions.

Will the new president follow Mr Jenkins's example and tour Europe's capitals to state his views on the composition of the Commission? (Mr Jenkins, it seems, had not wanted to work with Herr Haferkamp, but had to accept him.)

The members of the outgoing Commission are to a greater or lesser extent political appointees who, with

the two exceptions of M. Claude Cheysson and Viscount Etienne Davignon, are often criticized as being neither great politicians nor outstanding technical experts. Moreover, it is claimed, Viscount Davignon has been successful in his role as commissioner responsible for industrial affairs, not so much because he was particularly qualified for the job, but because he has shown previously unrevealed gifts in rising to the challenge. Should similar experiments be tried with the next appointments or is the right approach to opt resolutely for the best experts in the fields covered by the Commission?

At present it is not even certain that this will be done among member states on the traditional lines.

The big countries, especially France, do not seem to have taken very kindly to the suggestion that they might reduce their representation from two seats to one when the Community is enlarged to take in new member states.

The European Parliament, for its part, last month passed a motion on a report by M. Jean Rey demanding the right to be consulted on the renewal of the presidency and to pass a vote of investiture and confidence on the next Commission; it also demands the right to vote on all proposals for decisions before they are submitted to the Council by the Commission.

However, as Mme Simone Weil has remarked to "the European Parliament must not end up by obstructing the work of the EEC because it is so imbued with Community spirit that it makes too many demands on matters of principle".

The fact remains that the Council's increased role, far exceeding its terms of reference and an important consequence of this, is that matters which should come before the Parliament are bypassing it. The mushrooming of "advisory committees"—pressure groups or even decision-making groups—around the Council is deplored by both the Commission and the Parliament.

Will the Council act on the suggestion made by some "wise men" and create a post for a minister to assist its president and report to the parliament? (The latter would welcome such a move, but there is little support for the idea elsewhere.) Will each of the national governments appoint a minister for Europe? Some of the institutional devices now being proposed or nearing adoption may be of more obvious usefulness than others, but the one certain thing is that it is at a time when tension seems to be running high in the Community that proposed changes will take fuller account of specific national circumstances than of the ideals of the Treaty of Rome. Is this not on the whole more constructive politically?

Jacqueline Grapin

**Facts and figures****Still a question mark over economy**

After the big rises in prices and interest rates during the first months of 1980, some relief may now be on the way. The curve representing average inflation in the four *Europa* countries, at nearly 19 per cent seems to be approaching its peak. Interest rates are levelling off, or even easing slightly as in France, and the cut in prime rate from 20 per cent to 19.5 per cent, and even 19 per cent by several large American banks has led to a fall in the dollar and has taken the pressure off other currencies.

Despite the running down of speculative positions in commodities in response to the high cost of credit—witness the example of silver—flationary pressures may well continue, or even become intensified. Already, contrary to the hopes of Mr Alfred Kahn, the White House adviser on inflation, oil prices are hardening once again. American wages are trying to catch up with inflation and it is becoming increasingly commonplace for increases to be made of more than 10 per cent, often with indexation, in spite of President Carter's recommended norms.

Another danger is that in the present electoral climate the Government may be tempted to abandon its programme and go in for hasty action to bolster the two most threatened industries: the motor industry, which has not seen an increase in sales this spring (on the contrary it was 24 per cent down for the first 10 days in April), and the building industry in which the number of houses begun has dropped by 22 per cent.

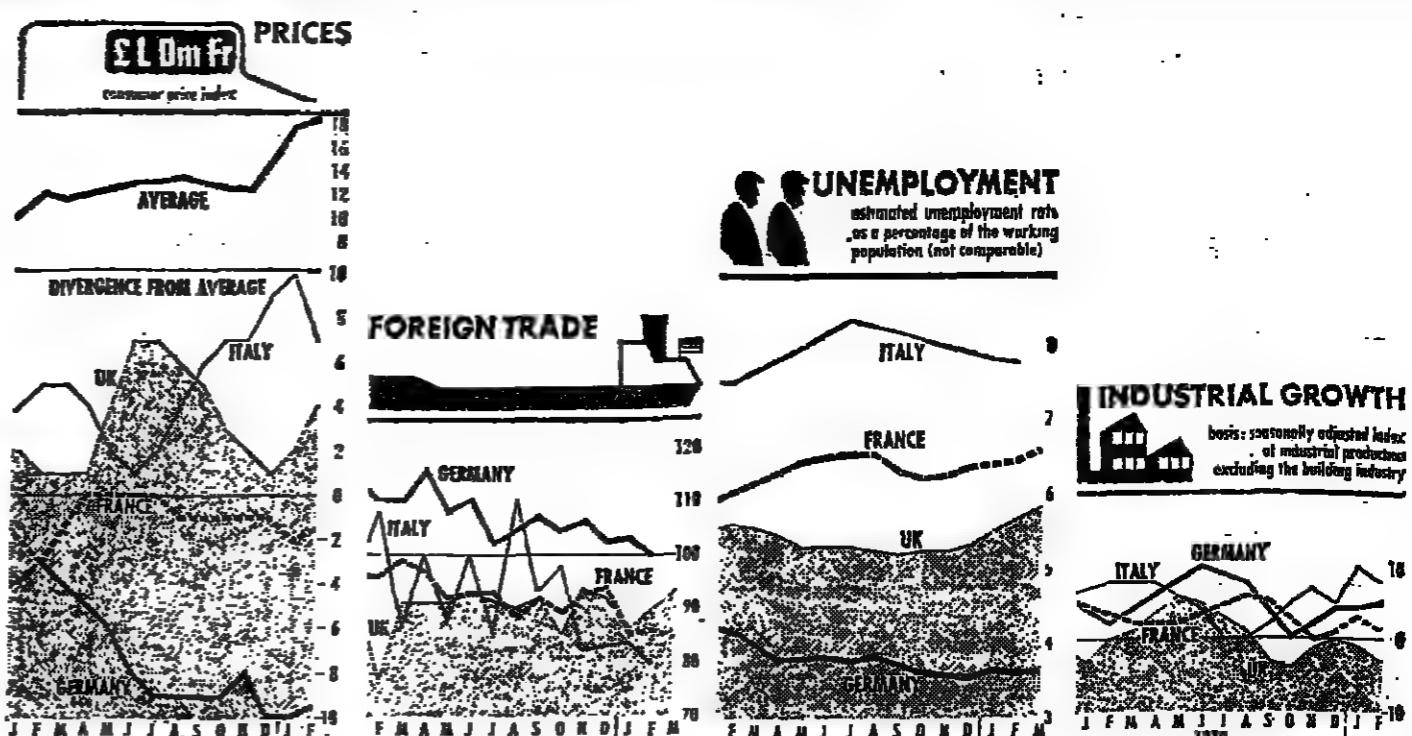
Whatever the eventual outcome, European governments are relieved to see that American interest rates are coming down slightly in conjunction with the slackening of activity. The West German authorities in particular are able to breathe a little easier. The Federal Bank was in a particularly difficult situation, with the Deutsche mark handicapped by the combination of low rates and a forecast deficit

a small recession, which they expect to have favourable effects on inflation before long. It is by no means certain, however, that events will bear out their hopes.

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France is the average inflation rate for the four *Europa* countries was almost unchanged between February and March at the high level of 17.75 per cent. The national rate was the same in West Germany (9 per cent) and more than 17 per cent in France, rose further in Britain from 20 per cent to 23 per cent, but fell in Italy from 29 per cent to 26 per cent. These rates are calculated on the basis of the past three months and expressed as annual rates. The year-on-year rates are 3.5 per cent for West Germany, 12.7 per cent for France, 19.8 per cent for Britain, and 20.3 per cent for Italy.



**Prices:** The average inflation rate for the four *Europa* countries was almost unchanged between February and March at the high level of 17.75 per cent. The national rate was the same in West Germany (9 per cent) and more than 17 per cent in France, rose further in Britain from 20 per cent to 23 per cent, but fell in Italy from 29 per cent to 26 per cent. These rates are calculated on the basis of the past three months and expressed as annual rates. The year-on-year rates are 3.5 per cent for West Germany, 12.7 per cent for France, 19.8 per cent for Britain, and 20.3 per cent for Italy.

**Foreign Trade:** Cover of imports by exports (calculated fob/cif) and seasonally adjusted unemployment as a percentage of the working population continued to rise in Britain (from 5.65 per cent to 5.8 per cent) and France (from 6.45 per cent to 6.6 per cent), but was unchanged in West Germany at 3.6 per cent and in Italy at 7.75 per cent.

**Unemployment:** Between February and March seasonally-adjusted unemployment as a percentage of the working population remained high in West Germany (+5 per cent) and Italy (+8 per cent), weakened in France (+1 per cent) and fell in Britain (-3 per cent).

which production will fall by 2.2 per cent.

Only in the medium term does it expect a fall in inflation which will bring down interest rates and set up the conditions for a recovery in investment and business activity.

The Cambridge Group economists consider this policy damaging and impracticable, and are sceptical of the Government's ability to see it through to its conclusion.

Italy's fortunes, like Britain's, depend less on the economic slow-down in the United States than on domestic decisions. Action is needed to halt the Italian economy's runaway stampede, which may be producing a high growth rate (8 per cent), but is also marked by an ever-increasing external deficit and high inflation (although the rate was slightly down in March).

Britain's disciplining under the iron hand of Mrs Thatcher is sharply contrasted with Italy's laxity in the absence of a stable government and a coherent economic policy. Both countries need to find a middle course which will carry them through the international hazards in their path. The easier economic conditions in Britain, where the problems are primarily associated with the currency, are certainly over-valued. Wages, which have risen sharply, and increases in public utility prices are more responsible for the acceleration in the inflation rate than import prices. As the graph shows, the curve is still pointing upwards and the authorities expect the rate to go well above 20 per cent.

All the indicators are giving out danger signals: activity is in decline and unemployment is once again rising steeply, with the rate up to 5.8 per cent in March and even 6 per cent in April. The only slight improvement has been in the trade balance. The 1980-81 budget recently announced contained no suggestion of any change in the policy of strict austerity being pursued by the Government, which is forecasting a difficult year during

Maurice Bommensath

present performance	per cent		quality of growth	maintenance of growth
	good	bad		
GERMANY	● ●	○ ○	○ C	○ ○
FRANCE	●	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○
ITALY	● ●	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○
BRITAIN	○	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○

rate of growth

productive foreign capacity

vulnerability to external factors

prices

unemployment

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## Banking secrecy: France is odd man out

### SWITZERLAND

Swiss banking secrecy provides almost total protection against revelation of the financial affairs of bank customers to unauthorized people. "Unauthorized people," often includes the state, and this frequently causes trouble in Switzerland and abroad.

Not even government officials are given any information by the banks if only taxation matters, and not criminal matters, are concerned. There is no obligation on Swiss banks to supply information to the tax authorities, or even to draw certain facts to their attention. On the contrary, a banker who did so might in certain circumstances be liable to prosecution.

The special nature of Swiss regulations on banking secrecy is that infringements are punishable under Swiss law. Section 47 of the Banking Act provides for a term of imprisonment of up to six months and a fine of up to 50,000 francs for infringement of banking secrecy. Even inadvertent breaches due to unintentional negligence can attract a penalty.

The far-reaching nature of Swiss banking secrecy dates largely from 1934, when capital transfers from Germany were declared illegal, and clouting of the law brought serious consequences. It was at this time that the famous system of numbered accounts was started.

To find out whether Jews whom they suspected of having an account in Switzerland actually did have one, the German authorities used to transfer small amounts in favour of individual suspect. If receipt of the money was acknowledged by the bank under the name which had been given, this constituted evidence that funds had been sent out of Germany; the perpetrator would be prosecuted, and often ended up in a concentration camp.

Numbered accounts are given no greater legal protection than ordinary accounts. With a numbered account, however, the identity of the holder is known only to a few selected people in the bank. Not everyone can open a numbered account. Anyone applying to a Swiss bank to do so must give cogent reasons for the additional discretion he is asking for.

The Swiss Social Democrats are rattling at the gates of the banking fastness. They are demanding a referendum on the lifting of banking secrecy if there are grounds for suspicion of tax evasion or defrauding the revenue. This regulation would also apply to the case of tax evasion abroad.

A decision on whether banking secrecy should be relaxed is not due before 1983, and it is generally expected that most Swiss will vote against any such change in the law. But the left, in addition to demanding the lifting of national regulations on banking secrecy where fiscal matters are concerned, is also calling for a change in Swiss practice regarding judicial assistance between countries.

Switzerland always refuses to comply with letters rogatory requesting the waiver of banking secrecy. Government circles point out in this connection that it is not for Switzerland to act as an arbiter on which requests from which countries are justifiable. There have been instances when totalitarian states have imputed fiscal offences in the case of people they objected to in order to bring pressure to bear.

The only occasions when Switzerland will agree to lift banking secrecy in connexion with tax offences concern a separate treaty on official judicial assistance with the United States. This is in connexion with the campaign against members of the Mafia, for the American authorities believe that in many cases they can succeed only if they have evidence of the commission of tax offences. Since the treaty came into force two years ago, nearly 70 letters rogatory have been submitted by the United States authorities to Bern, none of them to do with organized crime.

In nearly every instance, banking secrecy is not enforced in the case of criminal offences.

Klaus Niederau

### ITALY

Under the provisions of the Italian Banking Act of 1936, all information and data concerning banks and other credit institutions are subject to official secrecy. This provision also extends to relationships between banks and government authorities; the Banking Act lays down the principle that even information regarding criminal activities should be imparted only to the Central Bank.

As additional protection the Act also stipulates that all employees of the Central Bank are bound to official secrecy, so that even the Governor of the Bank of Italy is liable to prosecution for any infringement.

This general system of banking secrecy has meanwhile become an integral part of the contractual relationship between banks and their customers. Although there has been no subsequent legislation on banking secrecy, usages have become so established a practice as to be tantamount to a system of prescriptive law.

This means that in their relationships with their customers banks enter into an implicit

agreement of the customer. "And even then—except in special circumstances prescribed by law—we normally give our opinions only about a particular customer, not hard facts," the same bank official said.

authorities have a case for taking action. (It is fully accepted, after all, that a search warrant should be granted to enable the police to look for stolen money in a thief's home.) In other words, banking secrecy should or be allowed to conceal criminal acts. This is surely something on which there should be general agreement.

Those of us who live in German-speaking countries can feel contented enough with the protection normally afforded by banking secrecy against the little-loved inland revenue authorities. Many of our neighbours would probably be more than happy to benefit from the same regulations as are enjoyed by the Germans, Swiss and Austrians.

May we be excused from anything at least from the idea conjured up by the EEC bureaucrats that a middle course should be worked out as regards banking secrecy procedures, in the interest of harmony.

If this were to come about it would be West Germany which would have to make the concessions, and give up a large part of its freedoms. The only ones then left with a smile on their faces would be the banks in non-member countries—in Switzerland and Austria where banking secrecy is scrupulously honoured.

Claus Dertinger

obligation not to reveal to third parties any information about matters which either expressly or tacitly are to be treated as confidential.

Exceptions to this general system of banking secrecy are provided for in legislation, but they are in reference only to special precisely defined cases. This applies to government agencies and in particular to the inland revenue, which may set aside banking secrecy where this is specifically provided for.

The exceptions are laid down in a presidential decree of September 25, 1973, and apply only if a taxpayer has made no tax return and the authorities have firm information that he has an annual income of more than 100m lire (£50,000), or if an individual has acquired fixed or movable assets valued at more than 25m lire (£12,000); if the tax authorities have firm evidence to show that a taxpayer has earned four times as much in the course of the financial year as has been declared, unless the difference amounts to less than 100m lire; or if a taxpayer has failed to keep the necessary accounts.

A similar desire on the part of the legislature to preserve banking secrecy in tax matters as far as possible is to be seen in the provisions on capital transfer tax. Here again the inspector of taxes does not intervene directly, but has to rely on the duty of disclosure imposed on the taxpayer.

Even in the case of value-added tax, which is assumed to be underpaid by up to as much as 40 per cent, and so represents a particularly difficult problem of collection for the revenue, the legislature has hesitated to permit much erosion of the principle of banking secrecy. When VAT was introduced in 1972, for instance, banks were released from the obligation, when making their annual tax returns, of sending in a list of customers to whom a table of charges had been sent during the year.

Still more protection is afforded in that tax offices have no right to request banks to provide them with documentation about customers to assist them with their VAT assessments.

The only area in which the principle of banking secrecy has been relaxed to any extent through recent legislation is that of exchange control. In this case, however, it was felt the somewhat stricter procedure was justified in the overriding interests of the national economy and of monetary policy.

Under the Act of April 20, 1976, the unauthorized export of capital, especially the export of national and foreign currency, securities and other payment media, is an indictable offence. The involvement of bank employees constitutes an aggravating and special penitentiary are provided for any who in the course of their official activities illegally export capital.

According to a court ruling, the "exchange control police" set up in 1976 may be authorized to assume the control functions of the national exchange control commission, a department of the Bank of Italy. This means that the exchange control police can, if so authorized, make direct investigations.

There is still the proviso, however, that to do this they require, in addition to the court authorization, the authority of the public prosecutor's office, and the perpetrator must have been caught in flagrante delicto.

Günter Depas

### UNITED KINGDOM

This is a letter sent by a finance company to a customer whose account with it was thought to be in arrears: "Dear Customer, I have been designed to write automatic letters regarding customer arrears. So far only you and I

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## Banking secrecy: France is odd man out

continued from previous page  
are available about their customers' transactions and this information is stored in a national data bank.

Banking secrecy in regard to accounts held by foreigners in French banks is almost non-existent. Under the far-reaching exchange control regulations in force, the authorities have the right to examine whatever bank accounts they like. The French customs can also take action to attach money held in a bank without the need for a garnished's order.

Because of this lack of legal safeguards, the French have tried to protect themselves against the intervention of the authorities, in particular the inland revenue, by keeping a part of their (untaxed) income in gold, art objects, or nameless securities, especially bearer treasury bills, on which the state pays less interest.

They also make arrangements to invest a part of their assets illegally abroad. Even in EEC countries, exchange of information between different national taxation authorities has so far remained largely ineffective. In any case, banks in other EEC countries would be bound only by the exceptions to the principle of banking secrecy permitted under their national legislation, and these are much narrower in scope than they are in France.

### Joachim Scharfuss

#### AUSTRIA

"Since the new Banking Act came into force a year ago, banking secrecy in Austria is at least as complete as it is in Switzerland." So one is told in financial circles in Vienna, with unmistakable pride.

The new Act has indeed considerably strengthened the safeguards surrounding banking secrecy and the anonymity of deposits, so much so that discretion is now not only a matter of honour for Austrian banks and credit institutions but a binding legal obligation. Only in cases of deliberate infringement of the finance regulations or of prosecution can banking secrecy be set aside.

Consequently, tax offices have only limited access to bank accounts and deposits. They have no authority to ask for lists of customers or the state of accounts in general, even when a bank is itself the subject of investigation. Only if there is well-founded suspicion of tax evasion can banks be required by law to provide information to the inland revenue authorities.

But there are some forms of deposits in Austria which guarantee absolute anonymity, since even the bank or savings bank concerned does not know the identity of the account-holder. Even under the

much-discussed system of Swiss numbered accounts the identity of the holder is checked and recorded by the institution concerned, but in Austria anybody can open an anonymous savings account or security deposit under a code name, without having to identify himself.

Nor need the holder's identity be declared even when an account is drawn on. Anybody can draw out money provided he produces a savings book or depositor's certificate, and quotes the code name recorded by the bank.

The reason why, despite this, there is less export of capital and tax evasion in Austria than in some other countries lies mainly in its complicated and somewhat illiberal currency regulations. The complete freedom of converting the assets in Switzerland or Liechtenstein, for instance, does not apply in Austria. Resident and non-resident holders of foreign currency are treated differently.

For resident foreign currency holders (residence being defined as the principal residence for tax purposes, and not in terms of nationality) the maximum sum that is freely convertible is in the region of £1,000. Any currency transactions for amounts in excess of this sum need the prior clearance of the Central Bank, which requires valid reasons to be produced.

Non-residents are treated more generously. They can bring any amount of foreign currency of all kinds into the country and open a bank account, though they must have the prior approval of the Central Bank before engaging in money transactions, purchasing securities or acquiring investments. Such approval, however, is usually a mere formality. Capital and earnings can be converted and transferred at any time.

The privilege of free convertibility accorded to non-resident foreign currency holders only operates, however, in the framework of normal banking practice, and excludes anonymity. For this reason it raises all kinds of problems if fugitive capital is to be invested in anonymous savings accounts or security deposits identified only by code-name, and with outdrawals payable to bearer.

Such anonymous accounts and deposits are not in foreign currency but exclusively in Austrian schillings. Essentially, they are treated as resident accounts. Since no declaration of identity is required, any non-resident can open such an account or deposit, and benefit from any earnings deriving from them; interest is paid on them, without any restrictions, at the same rates.

No financial operations can be undertaken with these funds, however. Moreover, any transfer of large sums could get a non-resident account-holder or depositor into trouble because of the



The tall new building of the Deutsche Bank in Frankfurt

exchange control regulations. The only effective option open to him would be to take the money out of the country legally in the form of cash, which in the case of large amounts would not be without risk.

Ulrich B. Marker

#### GERMANY

"The business relationship between a bank and its customers is one of confidentiality." This principle, which is in the forefront of general banking practice, and excludes anonymity. For this reason it raises all kinds of problems if fugitive capital is to be invested in anonymous savings accounts or security deposits identified only by code-name, and with outdrawals payable to bearer.

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No financial operations can be undertaken with these funds, however. Moreover, any transfer of large sums could get a non-resident account-holder or depositor into trouble because of the

ship between a customer and his bank.

Banking secrecy is, however, subject to certain limitations. The law prescribes a duty of disclosure under public law in matters of overriding public interest, in particular where criminal proceedings and investigations by the tax authorities are concerned. Banking secrecy is also subject to certain limitations under the common law (for example in cases of necessity, or the safeguarding of legitimate interests) or under civil law, either in terms of the statutory right to information (invested in the individual) or of release from the statutory duty to disclose information (with particular reference to banking formation).

Limitations on banking secrecy vary in accordance with the measure of the case. In civil and administrative proceedings, in general, as in cases of bankruptcy, composition and voluntary arbitration, the banks can rely in principle on banking secrecy, whereas in criminal cases the right to refuse disclosure is excluded.

There is no obligation on German banks to supply information to the inland revenue authorities on the general state of accounts, deposits or earnings. The only exception is in regard to inheritances.

The new banking regulations of August 31, 1977, continue to impose significant limitations on the actions of the taxation authorities in pursuing inquiries with the banks.

These authorities have no power to demand, in connection with general fiscal control, regular or ad hoc reports from the banks on accounts or deposits. They can request such information in specific instances, however, always provided that they can produce concrete ground for suspicion that matters directly related to taxation questions are being concealed.

If the identity of the taxpayer concerned is known, the bank can be asked to provide information if inquiries into the circumstances of the case made by the tax authorities have not led to the desired results, and show no likelihood of doing so.

The same applies to "tax ferrets" in connexion with general fiscal control, or with preliminary investigations relating to the setting up of a judicial inquiry into tax offences. In the context of a judicial inquiry of this kind, tax investigators may require banks to provide information without previous questioning of the customer concerned, or safeguarding of his rights under the code of criminal procedure, in their capacity of aiding the public prosecutor's office.

If an outside audit of a bank is being conducted under the direction of the banking supervisory authority, deposit accounts subject to authentication may not be wound up; nor may any public announcement be made by the controlling authority.

Dieter Holzheimer

The Soviet Union and its allies, more than ever, have an alternative market for energy supplies and industrial products. This was, in short, the moment when Moscow realized that "the empire was too expensive".

The allies were told that Comecon prices had to be raised to world levels. Petrol, gas and raw materials were no longer sold to the lesser countries at privileged rates (even the allocations were reduced, since the Soviet Union was trying to increase its exports to the West), while for the allies

monopolism has almost never been so fragile, at the economic level. This is because of the international crisis.

There is a clear dichotomy between the single, unequivocal political and the differing economic strategies, as is clearly evident in the recent Gierek and Kadar to their party congresses. The reason lies in the political monolithic which has come to lack a solid economic basis.

Ideology and economy have not gone ahead at the same pace.

The new banking regulations of August 31, 1977, continue to impose significant limitations on the actions of the taxation authorities in pursuing inquiries with the banks.

In the initial, somewhat optimistic stage, everything was based on a simplistic model:

the allied economies which,

without sources of energy and raw materials, are pre-eminently fabrication economies, obtained supplies from the Soviet Union, and then exported their own industrial products. The immense, starved Soviet market bought everything, and paid for it at privileged terms.

The prices of raw materials for Comecon members were for many years much lower than world prices. Conversely, the industrial prices paid by the Soviet Union to its allies were above world levels.

The only way for all these countries to attain western levels is to turn to the West—import Western technology and so produce products that can compete with Western producers in the Soviet Union. It would be an easy enough business, a simple operation on a wider scale, but for the existence of a decisive obstacle—convertible hard currency.

The biggest failure of Comecon, and the reason for so many of its malfunctions, is its failure to institute the famous "convertible rouble".

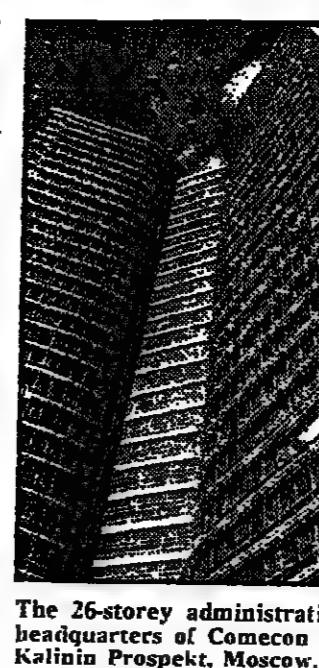
The Soviet Union trades with its allies within the framework of a rudimentary clearing system, goods against goods. At the recent Comecon council it was seen that the lack of a "convertible rouble" and the fact that the Russians, while buying a great deal from the allies, do not recompense them adequately.

Limiting essential supplies, offering poor quality goods and refusing payment in currency creates enormous imbalances. The lesser countries, with nothing to buy in the Soviet Union, sometimes even become creditors of the mammoth Soviet. And yet with what they sell to the Soviet Union they cannot buy in the West the plant they need to carry on the technological revolution.

The technological gap, compared with the industrialized world, therefore became increasingly wider. The Soviet Union started to understand that it could no longer keep up worldwide strategical competition under such unequal conditions. The world crisis then acted as the catalyst for a change of direction: it was felt in the Soviet economy (the growth rate fell by more than three times), but it also opened up for the Soviet Union the prospect of becoming, for the Western countries and primarily the European

## Ideology and economy go separate ways

# Grouping of planet and band of satellites weakens both



The 26-storey administrative headquarters of Comecon on Kalinin Prospekt, Moscow.

hopes for a multi-sided relationship between Comecon and the EEC have evaporated. The change is concealed, however. None of the Eastern leaders can openly admit to having his own new strategy. However, they all make it clear that they fear the collapse of the Western economies almost as much as the Westerners themselves.

The same is also true of the Russians. They see the European economy as being obliged to contribute to the technological takeoff of the Soviet Union. And they hope that that will contribute to its detachment from the United States. Without Russian orders, more than two million European workers would be out of work", one Moscow academic said, explaining the very ready availability of Western loans. As Pravda said some time back: "Paris and Bonn never forget that their balances with the Soviet Union will this year reach 14,000 francs and DM7,000 respectively."

These lines of thought explain the reasons why Moscow is exposing itself to the dangers of allowing its allies to have autonomous trade policies. It is lightening its own commitments, and transferring them to the West, hoping to be able to influence and condition to a greater extent than it will itself be influenced and conditioned.

However, the Soviet Union's interests within the framework of the new economic strategy need not always coincide with the interest of the individual allied countries which have been induced to seek, each in its own account, an outlet to the West. For this reason Moscow, in exchange for the plurification of economic policies, asks its allies for narrower political monolithism. In the behaviour of the Western powers towards Moscow, economic reason prevails over political reason. We shall see which of the two will turn out to be stronger in the East, where, by the nature of things, political and ideological considerations have so far always dominated economic ones.

Franc Barbieri

## On the contrary

# La crise polyvalente

L'aspect le plus frappant de la crise européenne n'est point l'importance des intérêts en cause, mais le clivage psychologique qu'ils révèlent. A Paris et à Londres notamment, l'on a eu l'impression récemment d'habiter deux mondes différents.

Pour les Français, tout est clair et indivisible. Qu'il s'agisse du mouton, de la pêche, de l'agriculture ou des ressources propres, les procédés britanniques risquent de démanteler le Marché commun. Afin d'acheter du mouton néo-zélandais, la Grande-Bretagne essaie de vendre le sien en France, mais sans une organisation du marché pour assurer les transitions et les sauvegardes nécessaires. Elle refuse en même temps une politique commune en matière de pêche. Elle cherche à défaire la politique agricole. Elle met en cause les principes budgétaires auxquels elle a déjà obtenu une dérogation partielle.

Aux yeux des Anglais, au contraire, c'est la France qui est déraisonnable. Elle n'applique pas la décision de la cour en ce qui concerne le mouton. Ses pêcheurs vont à la conquête des eaux et des poissons britanniques. Paris défend obstinément un système agricole dont les exportations de beurre subventionnent l'économie des envahisseurs de l'Afghanistan, ainsi qu'un mécanisme financier qui a pour effet de prendre aux pauvres ce qu'il donne aux riches.

Il ne suffit pas de négocier, même au "sommet" il faut lire plus attentivement les journaux des autres.

Pangloss

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## Centre for Industrial Development

In last month's issue of Europa we carried an article by Marcello Scotti entitled *A doublet in deep water—industrial centre needs clear role*. Mr Roger Theisen, director of the Centre for Industrial Development, has written to us contesting a number of statements contained in this article. He makes the following five points:

1. Your statement that the record of the centre is "lamentable" and "failure all along the line" contradicts all the reports issued by the African, Caribbean and Pacific-ECC Committee on Industrial Cooperation, the ACP-ECC Advisory Council and the ACP-ECC Council of Ministers, which, in their capacity as supervisory bodies, have regularly checked the results of the centre's activities during the three years of its existence, without ever expressing such adverse comments.

Moreover, the author of the article, who refers to the words of a "senior official of the European Communities", could have consulted the General Reports of the European Communities which deal with

the centre's activities in the following articles: for 1977, article 341; for 1978, article 515; for 1979, article 568. All these articles are absolutely contrary to the author's approach.

2. The mandates of the director and deputy director were by contract to have terminated on March 1, 1980, the date of expiry of the first Lomé Convention. Far from giving notice to the directorate of the centre, as indicated by your correspondent, the responsible authorities of the Communities and the ACP states have asked them to continue with their mission, at least, for a transitional period.

3. In his first paragraph your correspondent associates the centre with a project to set up a small steel plant using scrap iron.

I should like to emphasize that the centre has an interministerial mandate by letter of October 14, 1977, clearly dissuaded the government concerned from implementing this project on the ground that it would be economically unviable.

4. Concerning the figure of the centre's actual project interventions, it seems hardly con-

ceivable that "the Community authorities and the ACP countries challenge this record", given that 21 projects out of the total number of 379 direct promotional interventions of the centre have already reached the implementation stage; that is, joint-venture and/or finance agreements were signed between the interested ACP-ECC partners at the end of 1979.

Moreover, it should be emphasized that the centre's activities are not restricted to the mere creation of new industries but also include technology transfer and adaptation, industrial information and training, as well as the rehabilitation of industries experiencing difficulties.

Pursuant to the statutes, the role of the centre is well defined. It has the role both of a catalyst and of an operational body in charge of providing assistance, and at no time can it interfere with the activities of the industrialised countries or of the other Community institutions. Consequently, the centre cannot be considered as an "interpolator" by the Commission or the European Bank of Investment, whose respective roles are clearly defined by the Lomé Convention. Moreover, these institutions have taken over several interventions started by the centre.

5. Contrary to the statement that the centre "has had no contact with the EEC delegations in the ACP countries", the centre's activity reports emphasize the importance of the efficient assistance provided by these delegations. Moreover, in compliance with its mission, the centre has regular contacts with the missions of the ACP in Brussels, the government authorities of the countries concerned, the regional institutions and above all with the ACP-ECC economic operators.

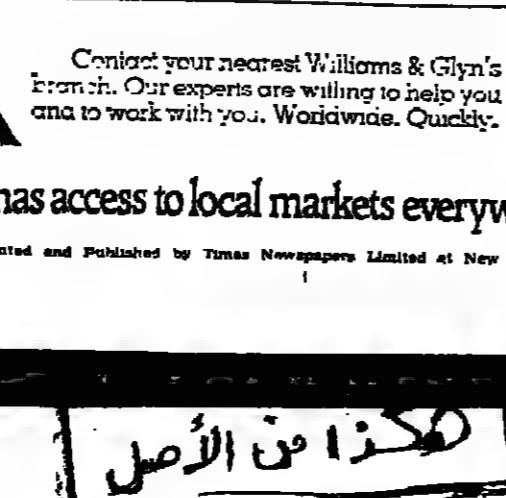
Far from questioning the "partner" nature of its function, the centre wishes to underline the importance of the co-responsibility and co-sponsorship of the ACP-ECC authorities in the results achieved. This parity principle, which is the very essence of the convention and its main originality, cannot be questioned without disastrous effects on the cooperation between the Lomé partners.

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## MAY DAY! MAY DAY! MAY DAY!

The symbolism of the May Day bank holiday is like that of Good Friday; it is not a holiday of celebration, but of grief and recollection. Some years ago an imaginative British Government apparently foresaw the danger that the British would forget what totalitarian socialism, that is communism, had done to the world, would forget the nations enslaved, the tens of millions killed, the destruction of humanity and liberty, the dark night. They gave us a holiday of remembrance.

Even that Government did not foresee Afghanistan, or perhaps Sir Denis Follows, who himself cannot recognize a war when he sees one. They did not foresee that British athletes might choose to celebrate the Olympic Games in Moscow while the Russians were suppressing the freedom of Afghanistan, trailing the Union Jack in the blood of the victims. But they must have understood that many of the British, like most other people, want to pretend that there is no such thing as organized evil in the world, and to forget that evil can only be resisted by recognition and vigilance.

### Enslaved nations

On the festival of May Day, we should therefore remember all the nations that have fallen to communism. First of all there are the component nations of the Soviet Union, including the Russian people themselves—and Solzhenitsyn is right to remind us that the Russians are the first and perhaps even the greatest victims of the Bolshevik tyranny. (It is a mark of the horror of that regime that to use the purely descriptive party name "Bolshevik" sounds as if one was using a form of propagandist abuse—like calling people "Nazis".)

What is certain is that the other nations of the USSR suffer from this tyranny. We should particularly remember the Russian Jews, who suffer from extreme discrimination in education, employment and the practice of their religion; their passes, uniquely among Soviet citizens, are stamped with their race as "Jewish" and not with their soviet nationality of birth, "Russian", "Ukrainian" and so on. In Russia to be a Jew is purely a racial question—it is not the proud badge of those who identify their own loyalty or religion, but a racial category enforced by the state.

One should remember the Ukrainians, just as much an oppressed nation as the more recent Soviet conquests of Europe. One should remember the Crimean Tatars, whose shocking fate, exposed to the genocide of Stalin, and still not allowed home, should not be forgotten even by the dupes of the Soviet tourist thought control. One should remember the oppressed religions of the Soviet Union, not only the Jews but Christians of all denominations and Muslims.

Beyond the original Soviet Union there are the European nations under Soviet power. There are Estonia, Latvia and Lithuania, nations which have actually been incorporated in the Soviet Union against their will. There is Poland, and oppressed Czechoslovakia, whose Government is uniquely contemptible even among Soviet Governments, so panic-stricken that it is even terrified of Aristotle. Timid and guilty tyrants who are traitors to their own nation, fear the most distant echo of truth. There is

Bulgaria, which shares with Libya the nervous gangster's habit of assassinating its emigres. There are Hungary and Romania, and there is East Germany, with its great wall to keep its citizens in. That makes a total of nine European nations which have been enslaved by the Soviet Union. Not one of these nine nations would support its Soviet or Communist rulers in a free election. Although some have been enslaved for over forty years, and all for over thirty, their nationhood and their desire for independence remain. What storm one must feel for those statesmen who rule them, surviving either on the basis of their own powers of repression, or on the power of Soviet tanks.

In Britain we are lucky; we have always been lucky in our geography. The great slave-masters of Europe have not been able to reach us for nearly a thousand years, not since we were invaded by the Normans. What happened to us then, has happened to most European nations repeatedly, under Austrian, Spanish, Turkish, French, Russian and German rulers. All these Soviet-ruled nations have experienced tyranny before and freed themselves from it, and they will assert their independence again. In not one of those nine nations is liberty dead. We cannot free them, but the least we should do is to recognize what they are now suffering. That may be some small help to them, and, if we are too cowardly to recognize we shall perhaps live to experience their suffering.

Yet Europe is not the only victim, or at present the most immediate victim, of Soviet power. That fate is Afghanistan's. And here again the forces of oblivion are already coming to the aid of the Soviet Union. The Olympic committees pass by on the other side. Public opinion, now that the television cameras are no longer allowed to film the invading tanks, has turned to other matters. The poor Afghans are left to struggle on alone, and to be massacred out of sight of the world. One might use Milton's words:

"Avenge, O Lord, thy slaughtered saints, whose bones Lie scattered on the Alpine mountains, cold."

### Latest victim

Yet this tyranny knows no bounds but the world; the claim and the threat of Soviet power are universal. Wherever that power is found, there are the same evidences of nations suffering under its violation. We should particularly note how men will risk death to escape life under communism. At this very moment small boats that cannot stand the weather, are putting out from Cuba, as they put out from Vietnam. To a citizen of a Communist regime it is not just the personal threat of prison from which he flees, common though that threat is; his whole nation is in prison.

Beyond that there are nations which have freed themselves from the Soviet Union, but not from communism. These have ranged from the most unspeakable regimes, like that of Pol Pot—murder by the million—to a regime, Tito's Yugoslavia, which has moved back some way towards liberty. China is still a most repressive regime; China shares our fears of the Soviet Union, but the Chinese regime itself remains an example of repressive communism.

### Charge for eye tests

From Mr David Heath

Sir, Ever respectful of my elders and betters in the optical professions, I have until now refrained from writing on the subject of the introduction of charges for the sight test recently announced by Mr Jenkins. Having however waited in vain for comments from more distinguished colleagues on this matter, may I be permitted to express my deep concern at this measure?

I feel that the imposition of a £2 charge for an examination under the National Health Service is to be deplored on two grounds. Firstly, although the charge will be no more than an added and unwelcome burden to those patients for whom regular testing is essential to maintain their visual performance at an adequate level, to those who might be termed "casual patients", requiring a check-up or routine examination, it will inevitably prove a deterrent. The result will be a significant lowering of the standard of eye care in this country, with many ophthalmic conditions remaining undetected in their early stages.

The second consideration would appear to me to be whether the Health Service is justified in introducing such a charge in any case: that the individual is entitled to medical examination without charge has been hereto one of the basic of the NHS, and the present measure, even though confined to ophthalmic services, is a serious departure from that principle.

When the cash saving, especially in view of the extra administrative costs involved, is not at all great, might not Mr Jenkins and his colleagues be wise to reconsider very carefully before implementing a measure which must concern very many both amongst those working in ophthalmic services and of the public at large?

Yours faithfully,

DAVID HEATH

Preston House

Wimborne

Wiltshire

### Choice of Mr Reagan

From Mr Stephen Aulsebrook

Sir, In your editorial: "Who Will Run With Mr Reagan?" (April 24), you say that since 1964 the Republican presidential nominees' choices for running-mates have been "an almost comic reflection upon the political judgment of successive Republican candidates". That is most certainly true. May I venture somewhat further, however, and suggest that the apparent choice of the Republican Party for this year's presidential election is a truly comic reflection of the political judgment of a large proportion of the American electorate.

Yours sincerely,

S. W. AULSEBROOK

24 Richmond Mount

Leeds.

April 24.

### Au pair regulations

From Dom P. L. Meylink

Sir, May I bring to your notice the extraordinary circumstances of the present au pair situation. The Minister of State for the Home Department has rejected a request made by members of both Houses of Parliament to withdraw the preventive measures against non-European au pairs now incorporated in the Immigration Rules.

As the regulations stand, only a girl who is a national of a Western European country, including Malta, Cyprus and Turkey, may come to the United Kingdom to learn the English language and live for a time as a member of an English-speaking family". (White Paper, Proposals for Revision of the Immigration Rules).

It appears unrealistic to argue that a return to the original au pair practice between Europeans is desirable. Since the First World War, not only has the education of girls become universal but facilities for travel and the broadening of ideas

Nations enslaved, tens of millions killed, great armies of refugees, and for what? For the millennium? Not certainly for those hopes of a higher liberty which the early socialists entertained. There is nothing but the death of liberty in communism. For social equality? The master class of communism has privileges unknown to the West. In the West we have privileged education as they do, and privileged health services, as they do. But we do not have privileged shops, to which only the elite can enter, where they can buy subsidized goods not available to ordinary people. It is as though Harrods were reserved for Members of Parliament and senior civil servants.

Was the revolution for economic efficiency? Russian agriculture is less productive today than it was in the time of the Czars, when Russia was a great grain exporter. The productivity in Russian industry is substantially less than half the European or Japanese average; even East Germany, probably the most efficient communist country, is less than half as efficient as West Germany. The Russian economy is a catastrophe, a case history of oppressive and incompetent state planning. Corrupt, too.

### Duty to survive

What is communism's strength? Only that it exists, the state, it pushes the principle of total and unqualified state power further than it has ever been pushed before, further than Caesar, further than Louis XIV, further even than Napoleon and Hitler. The great tyrants of history pale before it, and acknowledge in Marxism their master. All tyranny is inhuman, and the most absolute of all tyrannies is the most inhuman.

As communism idolizes the state, it exalts the chief functions of the state, including the repressive and aggressive functions. It is a doctrine of police power. It is always dangerous, not only being well armed, but—as in Afghanistan—willing to strike. If we wish to remain free, we should not hide from ourselves Soviet military power or the military threat and must always be on our guard.

A system such as this makes claim to the support of the people but has no natural root in humanity, and that is its great weakness. The tyrannies of the world have all crumbled to dust. They start in revolution, they thrive in oppression; they command no love, and they end in despair. It is neither in our power nor is it our duty to destroy communism, for that process is happening already. It is our duty to survive communism, and to do that we must have the courage to recognize Soviet communism for what it is.

Many good people wish to forget, to forget Afghanistan, to forget Pol Pot, to forget the Vietnamese or Cuban boat people, to forget Czechoslovakia, to forget Hungary, to forget the Gules Archipelago, to forget the KGB and to forget Stalin. If we wish to survive we cannot afford to forget. It was indeed a wise Government that gave us a May Day holiday of remembrance, knowing that May Day is the day on which the Soviet barons celebrate the achievements of their power and is also the internationally recognized call signal of distress.

Yours faithfully,

D. PLACID MEYLINK, OSB,

Director,

International Youth Welfare,

23 Brandy Road, N14.

### Overcrowding of prisons

From Mr Mervyn Turner

Sir, I am a visitor at Peatontown Prison. I spend much of my time with prisoners who, it seems to me, should not be in prison in the first place. I refer, in particular to the "deportees" many of whom have never been in trouble with the law, and all of whom are shamed by their situation as they languish in their crowded cells for weeks and months because their authority has denied them bail.

If the Home Secretary became a Prison Visitor he would not find the task of emptying the prisons anything like as formidable as it may seem to him from the floor of the House of Commons. He could start with the "deportees".

Yours truly,

MERVYN TURNER

24 Harberton Road, N19.

## Organising schools in London

From the Leader of the Inner London Education Authority

Sir, Public confidence is a body such as the Inner London Education Authority is of paramount importance and we are right to refer to it in your leading article on the ILEA's future (May 2). But the reference puzzles me. Your claim that the ILEA's constitutional position is "ill-adapted to creating public confidence" would be hard to substantiate.

There is in Wandsworth, for example, at this moment a notable example of public confidence being exercised spontaneously and formidable campaign conducted by parents and teachers alike in support of the ILEA and in opposition to the borough council's plan to take over education. I believe the Government will receive similar views from the public throughout inner London and that they will cut across party divisions.

I doubt whether these parents and teachers would recognize the Authority from your summary of the case against it. For example, you refer to its "great inefficiency". Yet the ILEA area is smaller than any of the English and Welsh counties or Scottish regions and even than eight of the metropolitan districts in the north. Communications within the next decade will be better than in many of these areas. The population, including child population, within the ILEA has never been smaller than it is at present and the projections show a continuous decline over the next decade.

You say the ILEA's "lines of communication are long, a fault emphasized by over-centralization of administrative control". This completely ignores the fact that inner London, alone among urban authorities, has a well-tried divisional system of devolved administration. While major policy decisions are taken centrally, the schools are administered through local district offices and all ILEA schools, colleges and institutes are served by governing bodies of local people.

You say that we spend "more per pupil than any other education authority". I do not think our exceptionally good pupil-teacher ratios are a matter for apology. We could, of course, reduce our costs by worsening the ratios: is that what our critics really want?

In fact, expenditure per head on social services and housing in inner London, which areborough responsibilities, is very much higher than the national average. Expenditure on education accounts for a substantially lower proportion of total expenditure by local authorities in London (42 per cent) than it does for the country as a whole (50 per cent) and is about the same proportion in inner and outer London boroughs.

You appear to think it remarkable that the ILEA "has power to raise money at its own discretion through the 'boroughs'. But this is no different from the power of the counties to levy a precept on their constituents".

Whereas the districts have no representation at county level, the inner London boroughs are directly represented on the ILEA.

I believe the views expressed by your leader will be rejected by a great majority of your readers and by most people in Britain. I hope you will publish dissenting letters accordingly.

Yours faithfully,

A. H. P. HUMPHREY

14 Ambrose Place,

Worthing,

West Sussex.

April 30.

From Mr Christopher M. Jackson

MEP for Kent East (Conservative)

Sir, In our anger at the resumption of butter sales to Russia we should not forget who is really getting the subsidy. It is the Prime Minister of failing to put first things first.

It is you, Sir, who are not putting first things first. Mrs Thatcher was elected to put Britain's interests first. This is what she is doing in refusing to agree to proposals which would require Britain to continue subsidizing the rest of the EEC other than Germany.

I believe the views expressed by your leader will be rejected by a great majority of your readers and by most people in Britain. I hope you will publish dissenting letters accordingly.

Yours faithfully,

A. H. P. HUMPHREY

14 Ambrose Place,

Worthing,

West Sussex.

April 30.

From Miss J. Cottis

Commoner task

From Mrs J. Cottis

Sir, The reasons given by Sir Raoulif Twiston-Dyer and Mr Oliver Shepherd-Jones (May 2) for deploying the cessation of the flogging system at Eton show them to be male chauvinists of the deepest dye. How is it that the vast majority of women, including highly-educated managers, manage to carry out the "menial tasks" of cooking, cleaning, and emptying bed-pans and chamber pots, not for a few months during a "camping expedition" but throughout their adult lives, without even feeling that their self-esteem is thereby lowered? Almost they persuade me to become a feminist.

Yours faithfully,

JANIE COTTIS

Barnard's Farm House,

Charlton,

Wantage,

Oxfordshire.

May 2.

### Unwillingly from school

From Mr C. L. Fox

Sir, Mrs Betty Carter's reason for the length of school holidays (May 2) is partly and neatly balanced but mistaken. Childhood, while we are enduring it, is not short. It is an eternity, especially those hot, unending summer afternoons when, if one's desk was in the back row, one could sometimes shorten by failing asleep. It is our youth, not our childhood, that goes too soon, as any Kerry dancer will testify (though the years after 70 have stakes on top).

I have always been told, particularly at times of salary negotiations, that the reason for those long holidays is to enable the hard-pressed professionals of the classroom to keep up-to-date in their subjects by reading and research. Teachers in kindergartens, for whom research is not quite so necessary, need time to recuperate.

Yours sincerely,

C. L. FOX

Heatherbrow,

The Ridges,

Fritchfield,

Berkshire.

May 2.

From Mr T. H. K. Barron

Sir, Years ago my



## COURT CIRCULAR

**BUCKINGHAM PALACE**  
May 5: The Prince of Wales, Duke of Rothesay, opened Seaford House Home for the Elderly and Lovat House at Golspie, Sutherland. In the morning and afternoon he visited the Sutherland Red Cross in Elgin.

His Royal Highness attended by Captain Anthony Asquith, travelled in the Royal Train.

**THATCHED HOUSE LODGE**  
May 5: Princess Alexandra, attended by the Lady Mary Fitzalan-Howard and a number of guests, arrived at Heathrow Airport, London this morning from Canada.

The Duke of Gloucester, president, National Association of Boy's Clubs, will visit clubs in Cornwall on May 23 and 24.

Princess Alexandra will open the 1980 Fine Art and Antiques Fair at the National Hall, Olympia, London, on June 5.

Mr Ahmed Z. H. Jaffer, chairman, ESU Pakistan, has arrived in London to attend the conference of the Royal United Services Institute for Defence Studies and is staying at Ovatscal House, Park Place, St James's, SW1.

**Birthdays today**  
Sir John Arnold, 65; Lord Barnard, 59; Dame Margaret Cole, 87; Air Chief Marshal Sir Walter Dawson, 75; Sir John Elliot, 82; Mr R. F. Fell, 59; Mr Stewart Gordon, 77; Sir Ronald Harris, 67; Mr K. G. Holden, 70; Mr Patrick Meaney, 55; Mr Alan Ross, 58.

## Order of the Bath

The Dean and Chapter of Westminster and the officers of the Order of the Bath attended a wine reception for members of the order and their families to meet them and the other clergy and lay officers of Westminster Abbey and the Bath Chapel, followed by a private view of the abbey and the Bath Chapel, in college gardens from 6.00 to 8.30 pm, on Thursday, June 26. The Prince of Wales, Great Master, hopes to be present.

Admission is by ticket only, obtainable from the Receiver General, 20 Dean's Yard, London, SW1E 3PA. Please print your name, title, decorations and address in block capital letters, and state how many tickets are required and enclose a stamped, addressed envelope.

## France leads in mixed bridge pairs

From a Bridge Correspondent  
Monte Carlo, May 5

France took the principal honours in the first of the four European Bridge Championships events to be decided in Monte Carlo when it won four of the 10 first places in the mixed pairs from field of 200.

The leaders were: 1, Mr and Mrs Roque (France); 2, Mrs Bakker and Kreys (Holland); 3, Mrs Willard and Soulet (France); 4, Mrs Kruse and Gynn (Germany); 5, Mr and Mrs Schroeder (Germany); 6, Mrs Resua and Author (Spain); 7, Mr and Mrs Romani (France); 8, Mr Carati and Milani (Italy); 9, Mrs Berglund and Olson (Sweden); 10, Mrs Valut and Tissier (France).

The winners led throughout the final session, though the former world champion Hans Kreyns, of Holland, and Mrs Bakker challenged strongly in the final session, when they moved from eighth to end less than one board behind the winners. For the next two days the open, the ladies' and the junior championships will be decided. After three days 138 open pairs will be reduced to 56 finalists, 66 ladies' pairs will be reduced to 28 and 32 junior pairs to 16.

With about nine hours' play each day, standing time prove a decisive factor, and the top past world and European champions who are competing may be unable to resist the challenge of the new wave of young players.

Great Britain's youngest pair, Tony Forrester, of Yorkshire, and Mike Walsh, of London, is likely to do well.

## Military Police sergeant wins bravery award

A Royal Military Police sergeant who rescued two people from an exploding munitions factory in Italy has been awarded the Queen's Commendation for Brave Conduct. The London Gazette announced today.

Sergeant Ian Allan, aged 39, of 160 Provost Company, RMP, a married man with two children, was commanding a search and rescue patrol during a Nato exercise in north-east Italy last October when the explosion occurred in Israfo.

Five people died and 19 were injured. Leaving his patrol to concentrate on his own duties, Sergeant Allan searched the heart of the blast area, still littered with live explosives, and rescued two civilian workers.

## 25 years ago

From The Times of Friday, May 6, 1955

The Federal Republic formally achieved sovereignty today in an atmosphere of strangely muted satisfaction, scattered ceremonial and an absence of celebration. It was intended in no way to detract from the fact that the part of Germany would be enjoying no new status. If the day belonged by right to Dr Adenauer, his honours were taken by M. François-Poncet, the French Ambassador, until the noon hour, the French High Commissioner. It fell to him to open the function, organized by the Allies. His Commission sat at the first of the day's ceremonies. He traced the history of the High Commission from September 1949, when it was set up, to a temporary guardian during the time required for the Federal Republic to become firmly established. Its role had never been more a Conservative's rôle and useless controller, a master in waiting without thought on the least of his prerogatives. Its powers had been vast. They had been rarely exercised. It could now lay down its mandate with a conscience completely at peace.

## Forthcoming marriages

Mr I. P. S. Crawford and Miss C. E. Burnaby-Atkins The engagement is announced between Patrick, son of Sir Stewart and Lady Crawford, Rupert's Elm, Henley-on-Thames, and Charlotte, eldest daughter of Lieutenant-Colonel and the Hon. Mrs Frederick Burnaby-Atkins, 14 Woodsford Square, W1.

Mr M. Y. S. Humphreys and Mrs J. M. F. Grubb The engagement is announced between Michael, son of the late Group Captain H. Y. Humphreys, DFC, and of Mrs Humphreys, of the late Mr and Mrs Longe, OBE, and of Mrs Longe, of 34 Lennox Gardens, London, SW1.

Mr H. R. McPhee, III and Miss C. L. Curran The engagement is announced between Henry Roemer, eldest son of Mr and Mrs Henry Roemer McPhee, of Potomac, Maryland, United States, and Constance, only daughter of Mr Jean A. Curran, Jr., of Divonne-les-Bains, France, and Mrs Catherine Gamble Curran, of Chester Square, London, SW1, and Harbor Springs, Michigan, United States.

Dr J. C. Moore-Gillon and Dr V. L. Kirby The engagement is announced between the older son of Mr and Mrs John A. Moore-Gillon, of Kingston upon Thames, Surrey, and Victoria, eldest daughter of Mr and Mrs Thomas Kirby, of West Bridgford, Nottinghamshire.

Major H. G. Young and Miss A. M. J. Moccata The engagement is announced between Hugh Gordon Young, Queen's Own Hussars, Major of the late Mr W. G. Young and Mrs Young, of Aldershot, Forte Avenue, Elgin, and Anne Marguerite Jane, only daughter of the late Mr E. F. Moccata and of Mrs Moccata, of 31 Evelyn Mansions, Carlisle Place, SW1.

Mr H. T. Cummings-Brace and Miss B. A. J. Immy Cheape The marriage took place yesterday at St Columba's, Gruline, Isle of Mull, Argyll, between the Rev. Rouleyn Robert Cummings-Brace, of the Royal Navy, and Linda, love of The Old Vicarage, Mapledurham, Oxfordshire, and Miss Bridger Anne Immy Cheape, only daughter of Mr and Mrs H. E. Immy Cheape, of Fossoway Lodge, Kings Weston, Bristol.

The bride, who was given in marriage by her father, wore a gown of white silk and a white veil held in place by a diamond tiara. She carried a bouquet of roses and grape hyacinths. George Arliss and Susanna Fry attended her. Mr Peter Maynard was best man.

A reception was held at Torosay Castle, Craignure, home of the bride's grandmother, and the honeymoon will be spent abroad.

## Latest wills

Miss Iris Sparkling, of Clacton-on-Sea, left £350,154 net, equally divided between the British Union for the Abolition of Vivisection and the League Against Cruel Sports.

Margery Lady Wright, of Durley, Marlborough, left £25,558 net. After personal bequests she left the residue for charities aiding old people and half to the Horse and Ponies Protection Association.

Other estates include (not, before tax paid; tax not disclosed):

Colman, Mr Arthur Henry, Norwich, building society director, £184,853.

Darby, Mrs Maud Hester, of Chichester, £180,041. Hall, Mr Kenneth, Lincoln, £224,601. Mawer, Mrs Edna May, of Mansfield, Nottinghamshire, £25,719.

## Pastoral Congress statement on sex teaching

The report adopted yesterday by the marriage sector of the National Pastoral Congress on the issue of co-contraception is as follows:

1. Growth for marriage: Marriage should be seen as a complete relationship, changing absorption from first love through absorption in job and careers, the stresses of adolescence, independence, to the more isolated couple in old age.

In order that a couple can adapt and grow together, they need:

The presence of Christ in marriage: an awareness that marriage is a special vocation from God.

Vibrant sexual attraction, coupled with mutual love and respect in which they teach one another to marry.

Support for growth, ideal goal for their marriage.

The concept of growth in relationship is essential to the theological and pastoral development for marriage.

2. Renewed theology: A renewed theology of marriage as covenant must do just this for the couple, to give greater communication to sex as a positive means of giving and communicating, to the way in which the couple reveal and teach Christ to one another.

The renewed theology will give couples a clear aim for all stages of the marriage, and must be based on their spiritual growth.

A renewed positive theology of marriage as covenant, covering all aspects of the marriage relationship, has to be worked out and clearly taught.

3. Liturgy and marriage: Parish liturgy must support and express the work of married couples more actively. The parish should rejoice at a wedding and be there to help. Special Masses for the married and special baptisms or other celebrations can contribute, and the role of the Sacrament in the couple's relationship needs emphasis. Preaching must speak more directly to married couples.

People with special needs must not be forgotten.

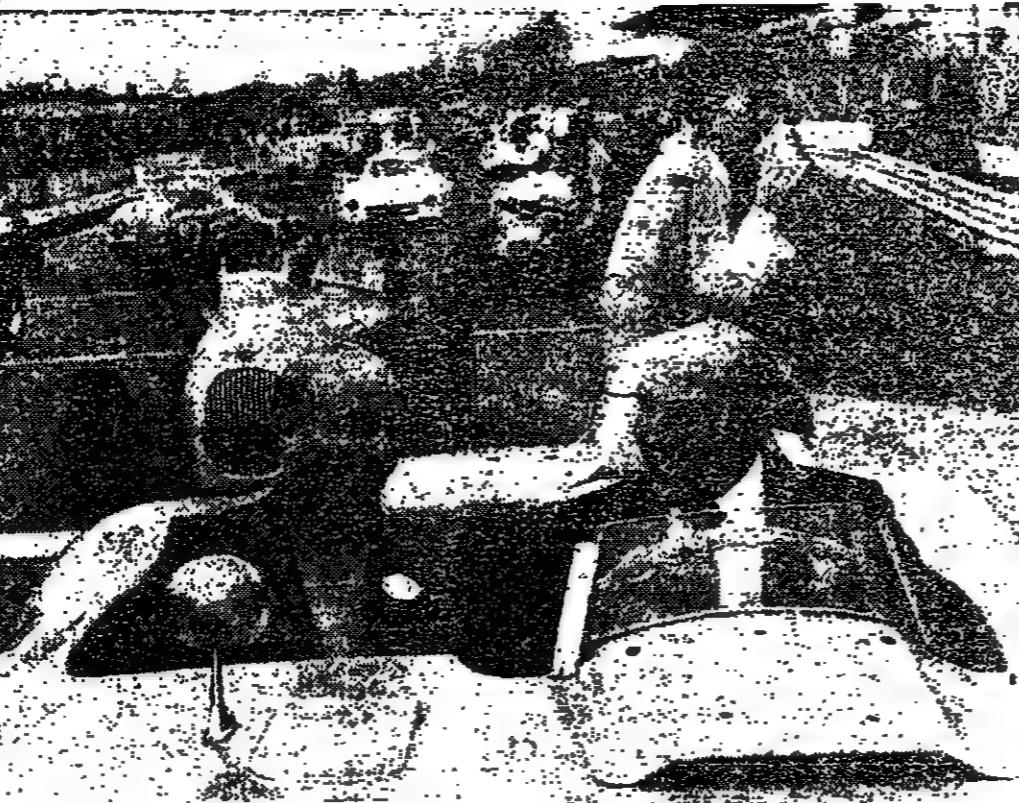
6. The role of sexuality in marriage. We ought to stress that intercourse can be a life-giving act between the couple, even if they are unwilling to discuss the issue.

7. On the implications:

a. The pastoral situation is confusing. Co-contraception is forbidden in principle, but many seem to be able to practice it.

b. Some priests are unable or unwilling to discuss the issue.

c. On the difficulties and needs, both psychological, sexual and spiritual, of married couples.



Photograph by John Manning

Juan Fangio (left) and Stirling Moss, former rivals for the World Driver's Championship, at Brands Hatch yesterday in the Mercedes 300 SLR that Moss drove to victory in the 1955 Mille Miglia.

## Science report

### Vision: Blindness in the brain from squinting

By the Staff of Nature

Some recent research on the consequences of unequal stimulation of the two eyes may help to explain a peculiar kind of blindness that occurs in people who squint.

The experiments were the work of Dr Hirsch's collaborator, Dr Nine Tumosa and Dr Suresh Bhagat Tlemam, who reared ten kittens to four weeks of age in the dark, but for a few hours each day when they were allowed into the light. In that way, the experimenter was able to control the squinting eye.

Psychologists working with cats at the State University of New York believe that may be because the kitten's brain is not yet fully developed in the visual system.

The results of the experiments seem to show that the kitten is able to reproduce exactly that defect in kittens, simply by arranging for them to use one eye more than the other, as tends to happen naturally in people who squint.

The experiments were the work of Dr Hirsch's collaborator, Dr Nine Tumosa and Dr Suresh Bhagat Tlemam, who reared ten kittens to four weeks of age in the dark, but for a few hours each day when they were allowed into the light. In that way, the experimenter was able to control the squinting eye.

None of the ten kittens was ever allowed to use both eyes together; four of them spent eight hours each day in the light, with alternating eyes covered on alternate days. Two kittens were allowed to use both eyes in the light each day. The remaining four, which were the ones in which the New York team found the visual defect, were given eight hours of light on one day, with one eye covered, and one eye covered on another day with the other eye covered.

The kittens' vision was tested by giving one eye of their experimental kittens eight times as much experience as the other, therefore, Dr Tumosa and her colleagues believe that "an important clue is to be found in the anatomy of the eye-brain connection which are not arranged in the same way in the two halves of the visual field."

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# THE TIMES

## BUSINESS NEWS

**LAING**  
make ideas take shape

■ Stock markets
FT Index 443.6
FT Gilt 67.7
■ Sterling
\$2.2555
Index 73.2
■ Dollar
Index 87.2
■ Gold
\$512.50
■ Money
3 mth sterling 17.1%
3 mth Euro-S 13.13 7.10
6 mth Euro-S 13.13 10.10
Friday's close

### IN BRIEF

## Chrysler reaches loan agreement with Canada

The Canadian government and Chrysler Corporation's subsidiary, Chrysler Canada, have reached tentative agreement on government loan guarantees.

The government is now waiting for Chrysler Canada to clear the agreement with its corporate parent and the United States Chrysler loan guarantee board.

The company and the government have been negotiating guarantees for loans of about \$150m to \$200m (£85m to £88m) but agreement has been delayed by the government's insistence on guarantees of the number of jobs in Canada. Talks are continuing.

The United States government is also discussing the possibility of a \$1,500m (£800m) federally guaranteed loan to Chrysler.

A decision by the United States loan guarantee board is expected to be made later this week.

### 400 workers go back

Shop floor workers at Rankin and Rapid, the Ipswich construction engineering company, have accepted an improved offer on pay and working conditions and return to work today. The 400 workers were locked out nearly two weeks ago because they refused to call off a series of strikes and an overtime ban.

### M & G profits dip

Interim profits from M & G unit trust group show a small reduction at the pre-tax level to £1.1m compared with the corresponding six months. However, the group is not paying a dividend because of the need to retain reserves against possible tax liabilities in one of its overseas insurance companies.

### Hunts' Swiss link

The Swiss Bank Corporation said it was not concerned over multimillion-dollar credits it awarded the Hunt brothers who were involved in huge American silver deals. The bank's total credits to Mr Nelson Hunt and Mr William Herbert Hunt at one time exceeded \$200m (£88m).

### Danish package

Danmark's Social Democratic minority Government has reached agreement with three parliamentary parties on a new package of economic austerity measures. When the package is presented to the Folketing (parliament) next week the Government should then command 90 votes out of a possible 179.

### Citroen closures

Automobiles Citroen, one of the three car building divisions of the PSA Peugeot-Citroen group, will close its plants for five days this month because of declining demand.

### CEGB contract

NEI Ryecore of Hebburn on Teeside will be awarded a £2m contract for auxiliary switchgear at the Drax B power station in Yorkshire. The Central Electricity Board has awarded contracts worth £4.5m to NEI in the past 18 months.

### Zimbabwe investment

Mr Robert Mugabe, Prime Minister of Zimbabwe, said yesterday in Bulawayo that he welcomed foreign investment, but it should be Zimbabwe orientated with the majority shareholding remained domestically and profits reinvested.

### Wall Street up

The Dow Jones industrial average closed 5.38 up yesterday at 816.30 on a volume up to 34.09 million from Friday's 28.04 million.

## Morgan Guaranty Trust brings its prime lending rate down by 1pc to 17.5pc

From Frank Vogl

Washington, May 5.—Morgan Guaranty Trust Company, of New York today cut its prime commercial lending rate—the rate it charges its most credit-worthy corporate customers—by 1 per cent to 17.5 per cent.

American interest rates are now falling dramatically and the Federal Reserve Board is having to face a crucial and testing decision.

If the central bank maintains its tight money policies, or even tightens policy, then the 1980 recession here will undoubtedly be severe. But if the Fed eases its policies, there could be a currency crisis.

The dollar fell in the foreign exchange market here again, today because of the continuing downward trend of interest rates. The Fed drained some funds from the money market, perhaps to indicate that it is not easing its policies and is concerned to stabilize the dollar.

The United States' currency has fallen by more than 25 per cent in the last three weeks against a trade-weighted basket of currencies.

Bankers said that interest rates are now falling more rapidly than at any time since the Second World War. In less than four weeks the prime rate has fallen 24 per cent from a 20 per cent peak and some short-term rates have fallen by 5 per cent in the last month.

Loan demand appears to have declined sharply. Meanwhile, the Fed's policies have secured a sharp slowing of the nation's money supply growth rate.

MIB, the measure of most demand deposits plus currency in circulation, fell a further \$2,300m (\$1,013m) last week,

after declining by \$3,000m in the previous two weeks, according to the Fed.

It has shown an annual rate of growth of just 0.8 per cent over the last three months and of 3.6 per cent over the last 12 months and these rates are well within the central bank's targets.

Some government economists have given the warning that if this money stock growth trend continues then the recession could be exceptionally deep.

It seems quite likely now that the White House may try to exert some pressure on the Fed to relax its tight policy stance. The latest unemployment figures showing a sharp rise of 0.8 per cent last month in the jobless rate to 7 per cent, came as a shock to the White House, which had expected a more gradual upswing in unemployment.

In a speech today President Carter stressed the positive features of the economic picture. He suggested the recession would only be mild, that the declining interest rates were good news and a significant fall in the inflation rate would be seen soon.

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CHASE said it was cutting its prime rate to 18 per cent from 18.5 per cent and then the large Harris Trust in Chicago made a similar announcement.

Minutes later Morgan Guaranty announced that it was going down to 17.5 per cent and the Harris Trust issued a new statement saying that it too was going to 17.5 per cent.

With Federal funds trading around 12.5 per cent there is still ample scope for further prime rate cuts—many banks have traditionally sought to keep their prime rates about 1-1/2 per cent above the rate for Federal funds.

Several bank economists pointed out today that seasonal factors may lead to a faster rate of money supply growth in coming weeks. At the same time they said there could be no doubt the recession was gathering momentum.

The National Association of Purchasing Agents reported that its April survey showed an exceptional decline in bookings in all sectors of new business orders.

Goldman Sachs and Company also reflected current market thinking and put its finger on the Fed's problem in a report today. It pointed out that the interest rate spread between the United States and numerous European countries and Japan was narrowing and may continue to narrow while America's inflation rate continued to outstrip that of many other nations.

If the Fed continues to secure slow money stock growth, however, the currency market may be encouraged that the prospects for a substantial inflation reduction here are brightening and foreigners may as a result continue to hold their dollars.

The dollar slipped a little against European currencies in quiet trading yesterday as Euro-dollar interest rates dropped sharply.

## Department of Industry expected to take over BL from the NEB

By Peter Hill

Industrial Edition

Uncertainty over the future relationship between the National Enterprise Board and British Leyland is expected to be resolved shortly with the Department of Industry taking over responsibility for monitoring BL's performance.

Although Sir Keith Joseph, Secretary of State for Industry, has yet decided how to resolve the continuing uncertainty, he is widely expected to be given powers contained in the Industry Bill, soon to be passed.

Mr Edwards, chairman of BL, has said previously he did not consider the BL request for Rolls-Royce treatment to be "on all fours" with the circumstances surrounding the engine group's transfer. In both cases responsibility for the operations still rests mainly with the NEB until the Industry Bill becomes law.

Sir Michael Edwards, the BL chairman, has signed strongly for the company to be moved from the NEB to the department. His request followed the controversial decision to remove loss-making Rolls-Royce from NEB administration and transfer the engine

company's affairs to the Department of Industry.

This decision led to the resignment of the entire NEB board, led by Sir Leslie Murphy, its chairman. The discussions over the future of the BL/NEB relationship have continued sporadically since then. Although there are strong arguments in favour of BL remaining with the NEB, Whitehall officials believe the company will be brought back under the direct control of the Department of Industry.

Sir Keith has said previously

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request for Rolls-Royce treatment to be "on all fours" with the circumstances surrounding the engine group's transfer. In both cases responsibility for the operations still rests mainly with the NEB until the Industry Bill becomes law.

Sir Arthur Knight is expected to reaffirm the NEB's view on the relationship in a review of the board's activities last year to be published later today.

Total public investment in BL, including the £300m planned for this year, will reach £1.075m by the end of this year.

At the end of last year the Government agreed to provide up to £300m this year in equity finance and to the conversion of a £150m loan from the NEB into equity.

The company's request for a



Sir Arthur Knight: taking a strong line with BL.

further £130m equity investment between next year and 1983 will be reviewed in the light of performance.

Last year the company recorded a loss of £122.2m before tax. This reflected the effect of the engineering strike and other external stoppages coupled with the strength of sterling.

## Grand Met gets court order against Liggett

By Adrienne Gleeson

Grand Metropolitan yesterday won one round in its fight to take over Liggett, the American drinks and tobacco chain.

A New York court granted a temporary restraining order to Grand Metropolitan against Liggett and Paddington Corporation, its subsidiary, preventing them from disclosing confidential information on the distribution and sale of J&B Rare Scotch whisky.

The order was issued after a hearing by the court to take over Liggett, last week announced, to take over Liggett, the American drinks and tobacco chain.

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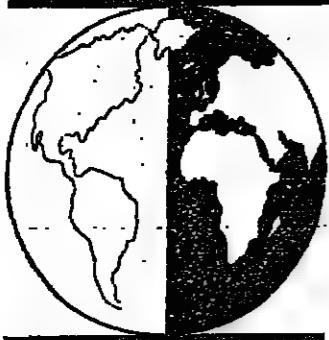
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## Saudi Arabia launches £110,000m plan

King Khaled of Saudi Arabia has launched a third five-year development plan which will involve spending of £110,000m over the period.

The Saudi state bank has reported that an additional £22,000m has been put aside as an "inflation factor", bringing the total expenditure envisaged to £132,000m or about £22,000 a head. This plan is distinct from the state's annual operational budget which amounts to £20,000m a year.

The previous five-year plan, originally involving £51,800m was outpaced by inflation, forcing the Government to add £6,000m to the budget.

### Mission to Athens

A British trade mission led by Lord Jellicoe, president of the London Chamber of Commerce, has arrived in Athens on a visit lasting six days for talks with Greek ministers, bankers and business leaders.

### Iran oil sales

Poland has offered to sign a 10-year agreement to buy Iranian crude oil according to Tehran Radio. The offer is believed to have come through a Polish trade delegation visiting Teheran.

### Italian wages rise

Italy's automatic wage escalator index rose a record 12 points during the three months ended in April. This boosts wages of all Italian workers by 13.668 lire (£1.45) a month automatically in May. The escalator's automatic wage increases help workers keep up with the cost of living.

### Dutch deficit

The Netherlands' visible trade showed a deficit of 225m guilders (£47.26m) in February, compared with a 40m surplus in January and a 255m deficit in February last year. In the first two months of 1980, visible trade recorded a 185m deficit.

### No imports ban

The West German government firmly rejects demands for restrictions on Japanese imports, Hart Dieter von Wuerden, state secretary at the Economics Ministry, said at an international video equipment fair in Bonn.

## Government incentives playing less influential role Changes in regional development

By Peter Hill  
Industrial Editor

Government regional incentives are playing a much less influential role in the location of expansion of businesses or their creation in the assisted areas, according to a working paper published by the Department of Industry.

Against the background of the changes implemented by the Government last summer, which redefined the assisted areas and which is being accompanied by a reduction in the level of assistance in development areas over the next three years, the study concluded that since 1971 there have been big changes in the pattern of development.

The study, concerned with measuring the effects and costs of regional incentives—especially over the period 1971-76—said that while there appeared to have been a broad improvement in the general position of the assisted areas during the 1960s and 1970s, it was hard to judge how much was directly

attributable to regional policies. Since 1971, the report said, the volume of movement of companies was much lower than it had been previously and the destinations of moves were no longer closely associated with regional policy measures.

Instead, the most marked feature of employment change generally and movement of companies within it had been the preference for locations which were outside the conurbations.

The study stated that there was strong evidence of an increase of about 6 per cent in the share of investment taken by the three main assisted areas of Scotland, Wales and the North from the mid-1960s to the mid-1970s.

There was also evidence that employment was higher in the three main areas by at least 20,000 annually on a cumulative basis during the period 1966-71, and by about 11,000 on the same basis over the following five years than might have been expected on the basis of trends in the 1950s.

The report concluded: "As a short to medium-term measure to increase employment, regional incentives appear to be a more costly measure even than reductions in direct taxation."

But even in the keyday period of regional investment policy—between 1966 and 1970—the report said that it was impossible to distinguish with any confidence how much of the increased share of investment on the development areas represented net national investment creation and how much was simply diversion of investment that might have taken place elsewhere if regional incentives had not existed.

The report concluded: "As a short to medium-term measure to increase employment, regional incentives appear to be a more costly measure even than reductions in direct taxation."



Sheikh Yamani: holding talks in Riyadh.

## Ministers will only review oil strategies

Vienna, May 5.—Oil ministers of the Organization of Petroleum Exporting Countries (Opec), meeting in Taef, Saudi Arabia, from tomorrow until Saturday, will not decide on immediate price rises but review long-term strategy of prices and production, a spokesman said here today.

Mr Edward Omotoso of Nigeria, said that the long-range plans provide for automatic price rises based on the dollar exchange value, inflation rates and economic growth statistics in the main industrialised countries. In theory that system should also foresee price cuts.

However, such a programme requires a unified oil price that is hoped to be achieved at the regular Opec ministerial conference due to be held in Algiers on June 9.

"The Opec secretariat is not in a position to give an average oil price at this time", Mr Omotoso said, referring to the unsettled price situation in the wake of the last Opec conference in Caracas Venezuela, that failed to reach a consensus on price.

The Taef meeting comes at a time when Opec's oil prices are in disarray.

Saudi Arabia, one of the organization's biggest producers, announced plans to raise its price from \$26 a barrel, amid reports it may call on other Opec members to cut prices in order to restore some balance to the chaotic system.

Mr Omotoso denied reports that another Opec conference, specifically discussing prices, would be held in Taef or elsewhere, saying there would be a number of additional internal meetings concerning preparations for the Opec summit conference and administrative matters.

The Opec summit, to be attended by heads of state and ministers of the 13-nation group, will take place in Baghdad, Iraq, in November to commemorate the 20th anniversary of the group's foundation.

The Baghdad celebrations may coincide with the establishment of Opec's own news agency, Mr Omotoso said, adding that the news service would be operational before the end of the year but could not say if this would be before or after the summit. AP-Dow Jones.

Shaikh Ahmed Zaki Yamani, the Saudi Arabian oil minister, held talks in Riyadh with a top official of the Organization of Arab Petroleum Exporting Countries (Opec), which is based in Kuwait, the Saudi Press Agency reported.

Petroleum matters and Saudi Arabia's "leading role" in the region were discussed at the meeting, the agency said but gave no details.

Saudi Arabia, the world's main oil exporter, will be host at the Opec ministerial committee conference in the summer resort of Taef tomorrow.

By Kenneth Owen  
and Bill Johnstone

## LETTERS TO THE EDITOR

### Effectiveness of British banking

From Mr B. G. Pearce

Sir. Some prominence was given to Mr Harcourt's letter (April 29) on the uncompetitive state of British banking. He refers to the report prepared by the Bank for International Settlements and, as he has misinterpreted part of that report (as, incidentally, have several newspaper journalists) I think it is as well to set out precisely what was said:

"35 per cent of adult individuals hold an account (current or savings deposit account) with a commercial bank only, 10 per cent with the National Savings Bank only and 5 per cent with a building society only. 25 per cent of adult individuals hold more than one type of account while 20 per cent hold none."

I am not unsympathetic to some of the comments about banking hours but I think we have gone a long way towards publishing our charges, tariff and, although not complacent, we should not exercise the usual British option of criticising ourselves unnecessarily.

Yours faithfully,  
B. G. PEARCE,  
Barclays Bank Limited,  
54 Lombard Street,  
London EC3P 3AH.  
April 30.

### True source of farming surpluses

From Dr G. W. Heath

Sir, Hugh Clayton's article (April 29) asks the right questions but in the end he does not seem to reach the right conclusion. Even on economic grounds British farming cannot be said to be particularly efficient—as I pointed out in my letter to you last November, so far as energy inputs are concerned, the rate of diminishing returns has already operated for some time and each rise in the price of fuel means that it operates more strongly.

I cannot see how, by any criteria and particularly economic ones, an operation can be said to be efficient when, over the past two or three decades, it has, through the ever-increasing deployment of fossil energy-based factors, such as fertilisers, biocides and tractor fuel and imported feeding stuffs such as fish meal, soya and manioc, made itself and its profitability more and more vulnerable to the vagaries of political and geographical factors over which we have no control.

The true source of the surpluses about which so many affect to be concerned, yet seem incapable, unable or unwilling to think about in any intelligent way, lies in our ludicrous and profligate use of scarce non-renewable resources and the badly needed food stuffs of the third world.

Paradoxically, the figures he gives for the decline in the numbers employed in agriculture in EEC countries during the last 15 years indicates that, as he suggests, some regard this as a measure of productive efficiency then the United Kingdom's farming has been less efficient than that of our EEC partners, since our farming work force has declined by only a quarter, whereas that of other EEC countries has declined by a third or a half. Less

emphasis is made on the importance of the market price of the product.

On the contrary, it is Mr Verdin himself, and all those others who in times of inflation persist in creating the pounds of one year as if they were of equal value with the pounds of the next, who are, if not perhaps mad, at best "very far removed from reality". With

inflation at 20 per cent the lender of Mr Verdin's example is in real terms getting nothing at all for the use of it. Geoffrey Howe, as Chancellor takes his large cut of that postulated payment as "unearned income". Yours faithfully,  
ANTONY FLEW,  
26 Alexandra Road,  
Reading RG1 5PD.  
May 1, 1980.

From Miss Joanne Bower

Sir, Hugh Clayton (April 29) is mistaken in thinking that ecological and other aspects of factory farming, which worry our continental neighbours, are not a consideration in this country. Although cruelty is the main concern of those against battery and other forms of mass production of livestock, the effect of these systems on our landscape, the pollution they cause, and the way in

which they threaten a whole time-honoured way of life are certainly a concern of this society and others. The related practice of monoculture, with the destruction of hedges and the use of heavy machinery, artificial fertilizers and poison sprays, is also recognized as a serious threat to the long-term fertility of our soil and wildlife. Efficiency in agriculture as we see it is a system based on a rich diversity of species and crops based on a cooperative relationship between men, animals, plants and soil, whereby all receive as well as give. Our present practices have been well described as mining rather than farming, and we cannot escape a final reckoning which will demand restitution for our profligracy with the good earth and all its products.

Yours faithfully,  
JOANNE BOWER,  
Food Secretary,  
The Farm and Food Society,  
4 Willifield Way,  
London NW11 7XT.

### Strong pound mainstay of anti-inflation policy

From Mr Mark Tennant

Sir. It was sad to see The Times in its leading article "Time to end the floss" (April 23) end much of what it does down over the years in the cause of monetarism.

The volatility of exchange markets and international interest rates is not caused by the lack of fixed parities but by the lack of a convenient scapegoat on which to put the results of ineffective business policies. I remain as a fervent supporter of new businesses which I believe are just as dependable a source of prosperity in this decade and the next as the continued growth of already large concerns. If Mr Verdin gets his sums right

he will be right. Yours faithfully,  
MARK TENNANT,  
31 Alderbrook Road,  
London SW12.  
April 24.

### Bills by credit transfer

From Dr J. P. Dougherty

Sir. Several of the points Mr Hunsorth (April 17) made, in reply to my letter about settlement of electricity bills by credit transfer, are fair ones, and some comment by Eastern Electricity would seem to be called for. The "substantial charge" which Eastern Electricity defined to meet is indeed less than the "small charge" that they suggested that customers should pay at the Post Office.

Moving to a reading meter (in the note accompanying the bill) for measuring it would be unfair to "subsidise one group of customers in this way", but this is hardly consistent with their willingness to accept payment by credit card, for which the banks make an even bigger charge.

In his penultimate paragraph Mr Hunsorth stated that I

was "not correct" in saying that one could remit money from any branch of a clearing bank to an account (eg. that of an electricity board) at the National Giro Bank through the credit clearing mechanism. However, the procedure I described for such a credit transfer is printed in the National Giro Handbook, and since reading Mr Hunsorth's letter I have used the method to pay a water bill. While I hesitate to cross swords with the Director of the Banking Information Service, I can only conclude that, on this point, he is just plain wrong!

Yours faithfully,  
J. P. DOUGHERTY,  
10 Spring Lane,  
Bottisham  
Cambridge, CB5 9EL.  
April 30, 1980.

### Fair play for car parkers

From Mr Alec Samuels

Sir, "Fair play for car parkers" (April 25) is a report of West Stansfield (1986) Criminal Law Review 442, forcing the quarter light on smearing marmalade over the driver's seat, the case of the softs' partner, says:

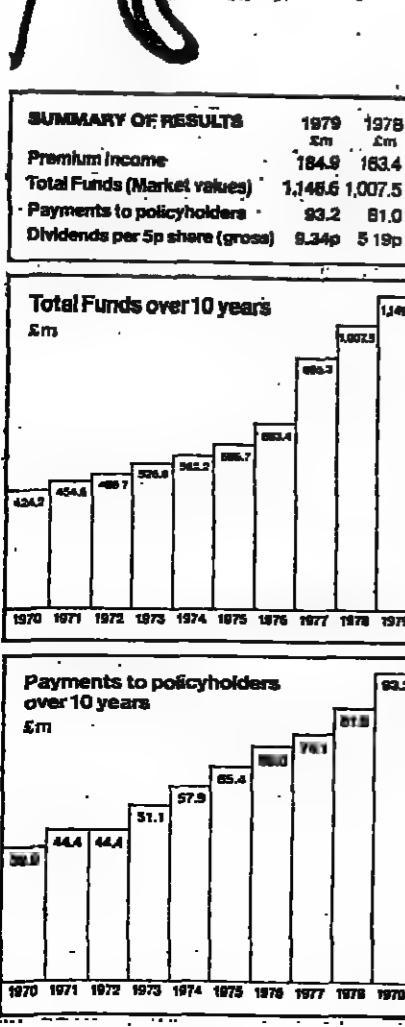
"Used, dismissing the charge, that is forcing the quarter light on the car the defendant had done no more damage than he had to in the exercise of his clear right to use the highway for getting in and out of his garage, thereby abusing the nuisance. Accordingly, his conduct in that respect did not constitute an offence... The complainant did not allege that he sustained any damage by reason of the defendant's conduct with the marmalade, and this conduct, which was clearly justified, could be severed from the damage caused to the quarter light. Accordingly, the charge would be dismissed."

Professor John Smith, in his commentary, points out that if the driver had sat in the marmalade and damaged his trousers, criminal damage would apply, and in an event an attempted criminal damage appears to have occurred.

Yours faithfully,  
ALEC SAMUELS,  
Faculty of Law,  
The University,  
Southampton SO9 5NH.  
April 28, 1980

## Continuous growth has been our aim, and our achievement

Extracts from the statement by the Chairman, Mr PG Walker



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BY THE FINANCIAL EDITOR

## Recession and recovery

Backed by growing evidence that recession in the United States is now a reality, in the past month short-term Eurodollar rates have fallen from 20 per cent to under 14 per cent.

Bond prices have risen by 8-10 points and prime issues are again yielding less than 12 per cent. Late last week the indications from the United States were that the Federal Reserve Board may be happy to see rates lower yet.

All of this represents an extraordinary transformation. The markets have now returned to the levels of January, when the mood was one of deepening gloom. At that time higher rates were seen to be necessary to kill mounting domestic credit in demand in the United States; curb the growth in money supply and precipitate enough of a recession to rein back rampant inflation.

The revival should be seen in its international context. Currency movements in recent months have been overwhelmingly dictated by interest rate changes. Hence the earlier upsurge in the dollar as the disparity between dollar and other currency rates opened out to unprecedented levels.

However, the recent fall in dollar rates has not been proportionately matched elsewhere. Last week, indeed, the German Federal Bank raised official interest rates to keep short-term rates up.

The gap between dollar and Deutsche mark money rates has thus narrowed from 10 to about 4 points, while American inflation is running at 17 per cent and German at under 6 per cent.

Deutschmark rates accordingly offer a 3-4 point positive return, while on dollars there is a negative return of the same proportions. The dollar has already weakened in response to these realities and on this analysis, must still be vulnerable.

World equity markets, meanwhile, after a surprisingly strong start to the year, in the face of an economic downturn managed to get through last week's mounting international tension without any major setbacks.

Even Wall Street decided to interpret a major bank failure, the wash of the Hunt silver dealings, and the prospect of Chrysler's imminent collapse as isolated events rather than signs of a more serious financial malaise.

The major hurdle for equities now is the extent of the recession. Most of the major stockmarkets have been assuming that the recession would turn out to be fairly mild, with destocking taking the brunt of the fall-off in demand.

The leading indicators from the United States are starting to show that its recession may turn out to be sharper than anticipated, and adherence to monetarism in the other major economies could have the same effect.

### Laird Group

#### After the closure

Laird estimates that the closure of its plate steel works, Patent Shaft, could pile up to £18m off shareholders' funds, by the time that the cost of redundancies is taken into account, and the outcome of attempts to sell this subsidiary's modern and efficient plant—in a depressed world market for steel—is known.

This is one reason why their profits have continued to rise, despite the increase in interest rates over the past year. This is also why their profits are on the whole, with the exception of companies like Town & City and Law Land—unlikely to benefit much from falling rates.

Everything, in fact, those companies which are financially strong may suffer from such a development—insofar as they now have substantial amounts of cash on the street, earning them handsome returns in the money markets.

Property shares are still better value than investment in property itself. For one thing they are selling at an average discount to net assets of over 20 per cent. For another, rents in some sectors—West End shop property, for instance—are unlikely to improve on present levels for some time, and they might even fall; but rent reviews and reversions should still produce enough extra cash to keep the dividends moving up.

Nevertheless, with the sector's dividend yield now down to under three per cent, even the sort of 'profits improvement' that Land Securities and Great Portland Estates can be expected to produce in the near future appear to be discounted already.

### Business Diary profile: The rise and rise of Sir Alex Jarratt

If there were a prize for the most charming industrialist in Britain a leading contender would be Sir Alex Jarratt, chairman and chief executive of the publishers and papermakers Reed International.

Last week he was exuding homeliness to all and sundry at the annual conference in Brighton of the Advertising Association, his presence being just one of his many public appointments. This week, he is likely to be seen in sterner mood as the provincial printing dispute menaces Fleet Street.

Behind the urbane exterior lies a tough businessman who at 36 has perhaps yet to reach the peak of a remarkable career both in business and in public life.

Sir Alex's name has been mentioned in recent weeks in connection with the chairmanship of the BBC. The former senior civil servant has already turned down the offer of at least one state sector job and is likely to be a future president of the Confederation of British Industry, where he sits as chairman of the quango-named Balance of Power Steering Committee.

It was from this committee that the idea of employer strike-insurance set alight last year's CBI conference in Birmingham, confirming the confederation's place in the headlines alongside the TUC.



Four years later he was chairman and chief executive of Reed, by now IPC's parent and, like it, badly in need of reorganization. Reed was then heading for one of the cyclical downswings that afflict the paper industry, but Sir Alex kept his head and turned the company round.

But he has also dispelled a lot of the enthusiasm with which journalists welcomed his arrival. When 1,500 IPC magazine journalists struck for a day recently, he had them locked out.

Sir Alex says that he left the Civil Service because "I wanted to do something rather than advise". He had almost quit five years earlier to join a

merchant bank, although he enjoyed his time in Whitehall.

Some say that his talent for turning round an ailing conglomerate is now largely wasted on a group such as Reed which is running smoothly. This is one reason why his name has a tendency to crop up whenever there is speculation about corporate public appointments.

Sir Alex himself says that he finds Reed as stimulating as ever. "In terms of enjoyment there are few things to parallel running a publishing company—it's a very exciting thing."

Of the speculation he says: "I am an obvious name to choose on these occasions. It's a useful name to speculate with."

It would certainly seem that there is a "fifth chance" of Sir Alex moving into state industry, though there are plenty of people who would love to see him there. He is highly critical of the level of governmental interference in the nationalized industries which he believes, as a result began to go wrong almost as soon as they were formed.

For those who say Sir Alex lacks challenge, he can point with some accuracy to the scale of Fleet Street which he would dearly like to tackle. He was among the more pessimistic

Hugh Stephenson

## The harm done by the MacGregor affair

When she gave her first anniversary interview to the BBC radio programme, *The World This Weekend*, during her bank holiday break at Chequers, the Prime Minister adopted the only possible tactic and counter-attacked hard on the appointment of Mr Ian MacGregor as chairman of the British Steel Corporation. When pinned in a corner, the right thing often is to punch one's way out of trouble.

It remains, however, an extraordinary political episode. Few single actions can have attracted the degree of unanimity of mixed criticism and ridicule on the part of journalists and journals of all political persuasions. Since important issues are at stake, it is to be hoped that the Prime Minister will show her customary ability to learn rapidly from experience and act at a serious level, despite the blind failure to understand that BSC chairman are more important than football stars.

It is not surprising if third parties should see the arrangement as it was, in which the Government, through Lazard Frères, is seeking to provide Mr MacGregor with substantial sums of deferred pay, far in excess of anything that could have been paid to him directly as salary, and which will come to him through American pension arrangements outside the reach of the British tax authorities. Such reactions

of envy will no doubt pass. Much more important is the fact that the arrangement entered into with Mr MacGregor by the Government throws into high relief, but does nothing to resolve, the prior question—namely, why is it that the public sector is progressively finding it more and more difficult to find people of ability to run nationalized industries?

The answer to this question is two-fold. In the first place they are not paid enough. In the second they are subject to quite intolerable degrees of political interference from ministers and civil servants when they try to do their job. In neither respect has the MacGregor affair helped. On the subject of a salary, the chairman of other nationalized industries must be sorry indeed. They have all from time to time argued that they are under-paid. They have been told that, 'be that as it may, there is nothing that can be done about it. For the normal mixture of motives—ambition, sense of public duty—they have accepted the facts of British life with more or less grace.

On the issue of ministerial involvement, the MacGregor episode must have a destabilizing effect on their morale.

On the issue of commercial policy, the Government's array of policies. The first is its whole attitude to the commercial activities of the public sector. The Prime Minister sometimes argues that she thinks that it is impossible for the public sector to think commercially and that therefore the sooner that can be operated as a profit-making unit of the private and industrial activity will be the better. For the immediate lump, a stop application of 'cost' limits would be the best solution.

The whole story points up two major gaps in the Government's array of policies. The first is its whole attitude to the commercial activities of the public sector. The Prime Minister sometimes argues that she thinks that it is impossible for the public sector to think commercially and that therefore the sooner that can be operated as a profit-making unit of the private and industrial activity will be the better. For the immediate lump, a stop application of 'cost' limits would be the best solution.

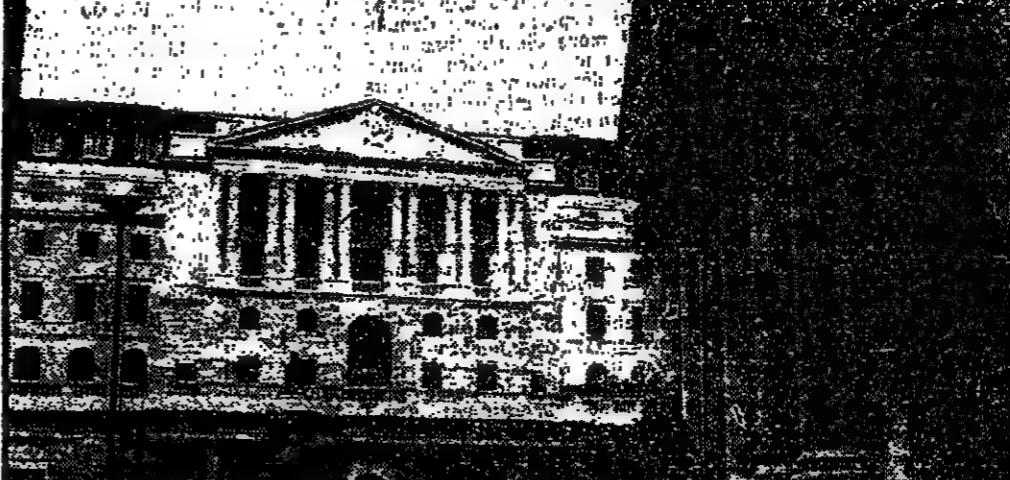
The fact, however, is that a large public sector in the fields of commerce and industry will be with any government, as far ahead as anyone can see. It is critical, therefore, to the total performance of the economy that this large sector should be encouraged con-

tinually to improve its performance. It is becoming increasingly clear that the operation of animal cash limits, lumping together all financing requirements, whether for current losses or for capital development, are, as widely predicted, proving to be a positive hindrance to commercially sensible running of many of these businesses.

The second major gap concerns the creation of the new businesses of the future. Mr MacGregor's task at the BSC, like Sir Michael Edwards' at British Leyland, is to conduct a controlled but massive reduction in the scope of the existing industry. These and many other sectors of British industry are hopelessly cut of truth with the realities of the markets in which they will have to live, not least because they have been excessively and unwisely protected from these realities by government contraction is overdone and will be painful. The idea, however, that a spontaneous birth of new commercial and industrial activity will take place at a sufficient scale to take up the slack, just because interest rates have been restored incentives to work, is in the view of many extremely naive.

National economic regeneration will require the favourable of the Government of the day in this country as in all others. If we are to come out on the other side of the terrible recession that is upon us,

## Has the Green Paper got it wrong?



The Bank of England: it uses its discount facilities as a leader of

first respect.

In the first of two articles on monetary control by leading economists

Brian Griffiths, Professor of Banking and

International Finance at the City

University, takes issue with the 'official' view

those mentioned in the liquidity document.

The Green Paper puts forward five arguments against a monetary base system such as this: that it would necessitate a big change in the structure of the money markets; that it involves operational difficulties because the base could not be determined on a daily basis; that the demand for the base might prove unstable and so lead to unsatisfactory monetary growth; that it would involve liability management by banks; and that it would be difficult to control the discount houses.

The operational difficulties of controlling the base are easily exaggerated. Present practice is a poor guide to the future: in a base system the banks would have built up a buffer of cash to protect them against various eventualities as well as a system of forecasting payments into and out of the Exchequer to help them economize on their cash balances. In addition, no base can be controlled on a daily basis. But it is wrong to suggest that it could not be controlled over a number of weeks fairly reliably.

As for the Bank of England using its discount facilities as a leader of 'first' resort rather than 'last' resort, it is high time that this system was changed because what the system is effectively doing is to supply the cash necessary to accommodate money supply expansion from whichever source it comes—bank lending, public sector borrowing requirement or from external flows. Changes in the organization of the money markets are perfectly practical and could be made quite easily.

The operational difficulties of controlling the base are easily exaggerated. Present

practice is a poor guide to the future: in a base system the banks would have built up a buffer of cash to protect them against various eventualities as well as a system of forecasting payments into and out of the Exchequer to help them economize on their cash balances. In addition, no base can be controlled on a daily basis. But it is wrong to suggest that it could not be controlled over a number of weeks fairly reliably.

Whether or not it would involve liability management is an open question. The present system does—but that is because banks know that through bidding rates up, the Bank is required to supply extra cash to the system. In a system, in which banks were competing against each other for a limited amount of cash then, as interest rates began to rise but the number of cash did not, they would very quickly have a profit motive to engage in asset as well as liability management.

It is difficult to argue against the last objection! Of course it takes time to judge the success of any change, but we do know that system works in Switzerland. In any case if we were to adopt this criterion, generally it would be difficult to change anything at all. This argument, therefore, must be discounted to the extent that it involves a large element of conservatism of central bankers.

In my judgment, therefore, the Green Paper's case against a monetary base system of control is not sufficiently strong to carry the day. Certainly the case for a base is much more attractive than the 'indicator' system which the authorities put forward. Although it employs the monetary base, it is only a minor

variation of the present system. In fact the monetary base is purely incidental to the system, as the proposal itself shows by making sterling M1 the indicator for change just as well as the base.

The main point is that the method of money supply control, still by price (interest rates) rather than quantity (base), and as such subject to the same kind of instability as the present system of control. It is for this reason that a comparable system of changing foreign exchange rates—the crawling peg—has never been taken up seriously in the international monetary system.

The central issue in monetary reform is the need for the monetary authorities to give up discretionary control of interest rates. In this connexion the reform of the gilt-edged market is also important. From the point of view of improving the techniques of monetary control the most important reform would be the sale of gilt-edged stock.

The system could be designed so that there was a weekly tender with a basic amount on offer plus a variable amount which would depend on all those uncertainties which the authorities mention so frequently. As in the United States, the Treasury could also conduct some market research by putting together a special committee of brokers and institutions concerned with gilt-edged stock. The question of new public debt instruments such as one-year Treasury bills or indexed bonds is of minor consequence as far as monetary control is concerned.

The case for indexed debt is part of a much bigger argument regarding indexing generally—the crucial argument in its favour being that it would reduce the social cost of controlling inflation as part of a medium-term strategy. As far as monetary control is concerned the only conceivable case for it is as a way of forcing the authorities to move to a general system of tendering as it would be impossible to fix a top price for indexed stocks.

The very worst outcome to the present debate would be economic thinking with the present system. However, in view of the Green Paper's objections to the monetary base and the fact that the system puts forward a practical non-starter, the present system could be continued in the seeming absence of anything better. If it is, it will mean a repetition of the mistakes of the 1970s in the 1980s.

Next week: Michael Stewart, Reader in Political Economy, at University College, London.

## OTTOMAN BANK

NOTICE IS HEREBY GIVEN that, in accordance with Article 28 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on THURSDAY, the 5th June, 1980, in THE GREAT EASTERN HOTEL (HAMILTON ROOM), LIVERPOOL STREET, LONDON, E.C.2, at 12.30 p.m. to receive a Report from the Committee with the Accounts for the year ended 31st December, 1979; to propose a Dividend; to elect definitively two Members of Committee in accordance with Article 16 of the Statutes; and to fix the remuneration of Members of Committee in accordance with Article 18 of the Statutes.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who are entitled to take part in the Meeting; must deposit their shares and, as may be necessary, their proxies, at the Head Office of the Company in Istanbul or at any of the various branches or offices abroad (in London at 2/3 Philpot Lane, EC3M 8AQ; and in Paris at 7 rue Meyerbeer, 75009) at least ten days before the date fixed for the Meeting.

The Report of the Committee and the Accounts which will be presented to the General Meeting are available to Shareholders at the Head Office in Istanbul and at the offices in London and Paris.

R. A. SUTCH  
Secretary to the Committee

6 May, 1980.

David Hewson

## FINANCIAL NEWS

## Marshall Cavendish suffers setback

Last year profits of Marshall Cavendish, the partwork publisher, collapsed from £1.73m to £272,000, after second-half losses of £274,000. However, the group claims that unaudited pre-tax profits for the first three months of this year amount to more than £400,000.

Last year's setback is blamed in part on the ITV dispute, which caused the group to cancel the whole of its autumn partwork programme, and in part on problems in the book

## Mettoy halves final as profits slump

By Catherine Gunn

The recession in the toy industry has claimed a fresh victim in toy group Mettoy. Its pre-tax profits collapsed from £1.64m in 1978 to £723,000 in 1979. Trading profits fell back from £2.76m to £1.54m, while interest costs soared from £340,000 to £821,000. Sales, meanwhile, edged up from £31.2m to £32.5m.

A tax credit of £435,000 raises attributable profits to £1.16m—against £2.6m in 1978. The final dividend has been more than halved to give a full-year gross payout of 2.64p, against an equivalent 1978 gross payment of 3.37p, adjusted for the scrip issue. At 27p, the yield on that is 9.8 per cent.

At the interim stage, when pre-tax profits were already down by 50 per cent, the company was hoping to make up some of the lost ground with its 1979 Christmas sales. In the absence of that improvement, increased borrowings and higher interest charges took a heavy toll. Other costs have also risen, and the growing strength of sterling in 1979 hit the company's exports.

## Spotlight swings to troubled retail sector

The City will be searching again for signs of an improvement in the troubled retail sector this week, when three of the major stores group issue figures. These include full-year figures from Mothercare today, Marks & Spencer, Sainsbury and Sears tomorrow.

Other groups reporting include Smith & Nephew today, P & O tomorrow and British Sugar on Thursday.

Today, sees the publication of the wholesale price index from the Department of Trade followed tomorrow by the UK branch's eligible liabilities, reserve assets, reserve ratios and special deposits for mid-April from the Bank of England. Also this week the CLCB publishes the London clearing banks' monthly statement for mid-April.

On Thursday the Department of the Environment will be releasing all the figures including building completions and starts for March. Finally, on Thursday the Department of Industry publishes the provisional figures of vehicle production for March.

In a busy week for retailers, Mothercare is expected to present one of the most encouraging sets of results today. Most analysts are going for fall-year profits of £21m compared with last year's £15.7m. They

believe that the group has reduced its United States losses by half, to around £800,000, having cleared up the problems in the 50 Mothercare shops and the mothers-to-be shops.

Expansion plans, which include opening a further 50 baby shops to bring the total to 100 by the end of the current year, have also encouraged the analysts, although some are a little more concerned about the impact of sterling's cost. On the United Kingdom side, profits are ahead despite the

rise in the cost of imports, which is reflected in the 5.3p gross from £36m, compared with £14.9m last year. The wide spread is the result of some analysts' decision to add in capital profits, which include the profits or losses from the sale of ships.

Pre-tax profits at the interim stage showed a figure of around £21m, which some had been predicting for the year as a whole. However, the turnaround in its oil and gas operations, an improvement in the bulk shipping market and a better than expected performance from OCL has meant most analysts revising their original figures.

Marks & Spencer, which is reporting full-year results tomorrow, has been less fortunate as far as VAT is concerned. Estimates vary from between a £17m and a £17.5m pretax profit compared with £16.6m in 1979. Second-half profits are likely to show the effects of a flat trading period in the autumn, which continued up to Christmas on the clothing side.

However, the food division has, perhaps surprisingly in view of other food retailers' price cuts, held up.

A hefty increase of around 25 per cent in the group's wage bill followed a change in the negotiating date has put pressure on margins, but the dividend is nevertheless expected to

be increased by 30 per cent from 5.3p gross to 5p, unless the results are lower than estimated.

**TODAY:** Interims: Moss Bros, Smith & Nephew (1st qtr), Marks & Spencer, and Wheeler.

**Fri:** Costain Grp, Geers Cross, John Laing, Marshall's Universal, Mothercare, Jefferson Smurfit, and Third Mile Investors.

**TOMORROW:** Interims: Centra Mfg and Trading Grp, Frederick Cooper (Hdgs), A. Bevan, Co-operative, Co. Fulcrum Investors, Ist. Comme Hdgds, Matthew Hall and London & Provincial Shop & Centres (Hdgs), Finsbury, Alcester, British Ehibition, Brixton Estate, Dhami Hdgds, Malibinson-Denn, Marks & Spencer, Millerts Leisure Shops, P & O Steam Navigation Co, J. Sainsbury, Sears Hdgs and Trust Union (amended).

**THURSDAY:** Interims: British Sugar, Cullens Stores (2nd int), Daventry Breweries, Hawkins & Tunson, C. H. Pearce, Ransome Hoffmann Pollard (amended), Royal Bank of Scotland, Schlesinger & Fund, Serck, and Wood Hall Trust Funds: Atlas Electrical, General Transport, Tins & Wolfson, British Invest, Ist. Hawtins, Horveringdon Grp, L. K. Industrial Invests, Moss Bros.

**Friday:** Interims: Richards, Tricentrol (1st qtr), Ulster TV, and Vaux Breweries. Finals: Surrall & Co, John Crowther, Edinburgh Gen Inv Secrs, Garner, Scobain, Nineteen Twenty-Eight Invest, Usher-Walker and Weeks Assoc's (amended).



Mr. Selim Zilkha, chairman of Mothercare.

Bros, Porter Chadburn, Pennine Commercial, Sandhurst Marketing, and Secombe Marshall & Campion.

**Michael Clark**

ISSUE BY TENDER OF £1,000,000,000

### 13½ per cent EXCHEQUER STOCK, 1992

MINIMUM TENDER PRICE £96.00 PER CENT

PAYABLE AS FOLLOWS:

Deposit with tender	£20.00 per cent
On Friday, 13th June, 1980	£30.00 per cent
On Friday, 11th July 1980	Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 22ND MARCH AND 22ND SEPTEMBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of the Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for the above Stock.

The principal of and interest on the Stock will be charged on the National Loans Fund, will recur to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at par on 22nd March and 22nd September, 1992.

The Stock is not transferable. It may be sold or transferred only by the Bank of England, Her Majesty's Treasury or by the Bank of Ireland.

Interest will be payable half-yearly on 22nd March and 22nd September. Interest will be deducted from payments of more than £5 per annum. Interest will be paid on 22nd March and 22nd September to the rate of £1.568 per £100 of the Stock.

Tenders must be lodged not later than 10.00 a.m. on Thursday, 28th May 1980 at the Bank of England, New Issues, Watling Street, EC4M 8AA or not later than 3.30 p.m. on Wednesday, 7th June 1980 at the Bank of Ireland, 2nd Floor, 100 St Stephen's Green, Dublin 2, or at the Glasgow Agency of the Bank of England, 100 St Vincent Street, Glasgow G1 1BB or at the Bank of Scotland, 100 St. Mungo St, Edinburgh EH1 1LA or at the Bank of Northern Ireland, 100 Donegall Quay, Belfast, Northern Ireland, BT1 1NN or at any office of the Stock Exchange in the United Kingdom.

A separate cheque representing a deposit of £30.00 per cent of the NOMINAL value of the Stock must be sent with the Stock.

Tenders must be lodged for a minimum of £100 Stock and for multiples of £100 as follows:

Amount of Stock tendered for	Multiple
£100—£25,000	£100
£25,000—£50,000	£25,000
£50,000—£100,000	£50,000
£100,000 or greater	£10,000

Her Majesty's Treasury reserves the right to reject any tender if, in its opinion, the Stock will be allotted at a less amount than that tendered for. If under-subscribed, the Stock will be allotted at the minimum amount of £100. The Governor and Company of the Bank of England, the Minister of Finance and the Secretary of State for Economic Affairs will be entitled to accept all tenders accepted at prices above the allotment price will be allotted in full.

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## FINANCIAL NEWS

## Tensions affect tanker trading

Higher insurance premiums resulting from the increased tensions in the Middle East influenced trading in both the tanker and dry cargo markets last week.

The former naturally suffered more and because of this holidays and a reluctance on the part of owners and charterers to arrange cargoes, very little fixing was concluded last week in the Gulf.

The slight easing in tension after the high point at the end of the previous week led to some softening in rate levels. From the peak of around worldwide 36 slippage of some four points occurred last week on rate levels as reflected by the 250,000-tonner booked by Veba for a voyage to the United Kingdom/Continent at worldscale 32.

Uclos did not escape with Exxon securing a 450,000-ton vessel to Europe and worldwide 25 while a 310,000-tonner was fixed at worldscale 27.5 for a similar trip.

The general uncertainty and high premiums are making all concerned very wary. BP, for

example, has instructed its captains not to enter the Gulf unless they have a cargo to pick up and other owners are understood to be withdrawing tonnage from the area.

All this casts a shadow over the future prospects for tanker chartering. With rates returning to the worldwide 30 level which has prevailed for most of

## Freight

this year, doubts over events in the Middle East and high oil stocks, all look set for a bleak time ahead.

This could well mean an increase in laid-up tonnage which currently totals just over 10 million tons.

Despite this, gain rates continued firm and there are no indications that the market is losing any of its strength. Transatlantic grain fixtures included 20,000-tonner from the US Gulf to Holland at a lump sum equivalent of \$19.50 and a 45,000-ton shipment to Great Britain at \$21.50, both firm levels.

David Robinson

## Issue prices soar as calendar shrinks

Recent high-grade international dollar bond and note offerings rose by between four and five points last week as the volume of scheduled offerings dried up, writes AP-Dow Jones.

"The market is robbing along because there is no paper," commented one senior trader.

Syndicate managers at some of the major underwriting firms reported that their prime clients were unwilling to float bond issues at this time because they expected coupon costs to be substantially lower in a few months.

In fact, we have been advising our clients to wait," an executive at one major Swiss bank said.

At the same time, the market has been unresponsive to intermediate quality corporate bond issues, presumably on the ground that a severe recession could do some real harm to companies with weak balance sheets.

The only fixed-rate dollar offering this week was a \$75 million, five-year note issue of the Federal Business Development Corporation of Canada.

The Canadian government

agency's issue was underwritten on fixed terms ahead of the setting period at par bearing 12.25 per cent annually. In pre-market trading, the issue was quoted at 101 bid in keeping with the market's enthusiasm for prime quality paper.

However, the syndicate manager, Wold Gundy, said there is no possibility of increasing

## Wall Street

New York, May 5.—Interest rate-sensitivity and transportation issues led the New York stock market higher in moderate trading following another cut in the prime rate.

The Dow-Jones Industrial average rose 5.8 points to 816.30. Advances led declines two-to-one as volume expanded to over 30 million shares from 28,040,000 on Friday.

Volume leader General Motors rose to 44,000, which is 123,500 shares above ar. 44,000. Baxter International added 4,000 to 44,000.

Brokers said silver, also reflected in the market's new responsiveness to interest rates, was the best buy.

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## Stock Exchange Prices

## Capitalization and week's change

ACCOUNT DAYS: Dealings began, April 28. Dealings end, May 9. 3 Contra Day, May 12. Settlement Day, May 19

Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)



Stock	Price Chg on Friday week penalty	Int. Gross dividend on only Red Yield	Capitalizing Company	Price Chg Gross Div on Friday week penalty	Capitalizing Company															
<b>BRITISH FUNDS</b>																				
<b>COMMERCIAL AND INDUSTRIAL</b>																				
A—B																				
Treas. 35c 1977-80 98p	+15	3,900 16.82	19c	10.6 8.2 8.5	Dunlop Hdg	101	-1	7.6 6.1 14	McKenzie Bros	102	-1	9.9 8.6 42	Thermal Prod	200	-1	10.0 10.0 6.2	Bothchild	301	-1	33.6 4.4 22.1
400m	Treas. 35c 1978-80 98p	+15	3,317 16.83	Douglas R. M.	101	-1	8.0 6.5 12	Mackenzie Scott	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
500m	Treas. 35c 1978-80 98p	+15	3,174 16.84	Dowty & G.	101	-1	8.0 6.5 12	Macpherson	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
600m	Treas. 35c 1978-81 91p	+15	3,185 18.07	Dowty Corp	101	-1	7.4 5.8 10.5	Malins	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
700m	Treas. 35c 1978-81 91p	+15	3,185 18.07	Dowty Corp	101	-1	7.4 5.8 10.5	Man Sdn Cana	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
800m	Treas. 35c 1981 91p	+15	10,025 14.22	Dreamland Elec	101	-1	8.4 5.4 9.1	Man Sdn Cana	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
900m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Maple Ridge	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,000m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Merle & Spencer	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,100m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,200m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,300m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,400m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,500m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,600m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,700m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,800m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
1,900m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,000m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,100m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,200m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,300m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,400m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,500m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,600m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,700m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,800m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
2,900m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
3,000m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop	101	-1	7.6 6.1 14	Metzger Ltd	101	-1	10.0 10.0 6.2	Thermal Prod	200	-1	33.6 4.4 22.1	Scot Amer. Corp	301	-1	5.0 5.1 1.4	
3,100m	Treas. 35c 1981 91p	+15	10,025 14.22	Dunlop																



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